

HALAL SERVICES: INTERNAL AUDITING – REQUIREMENTS, PROCESS AND PROCEDURES

*Norhaizam bte Md Sani
Training Manager,
HDC Malaysia*

**The First Gulf Conference on Halal Industry and
its Services**

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Holiday Inn Hotel, Al-Salmiyah, State of Kuwait



Halal Industry
Development Corporation



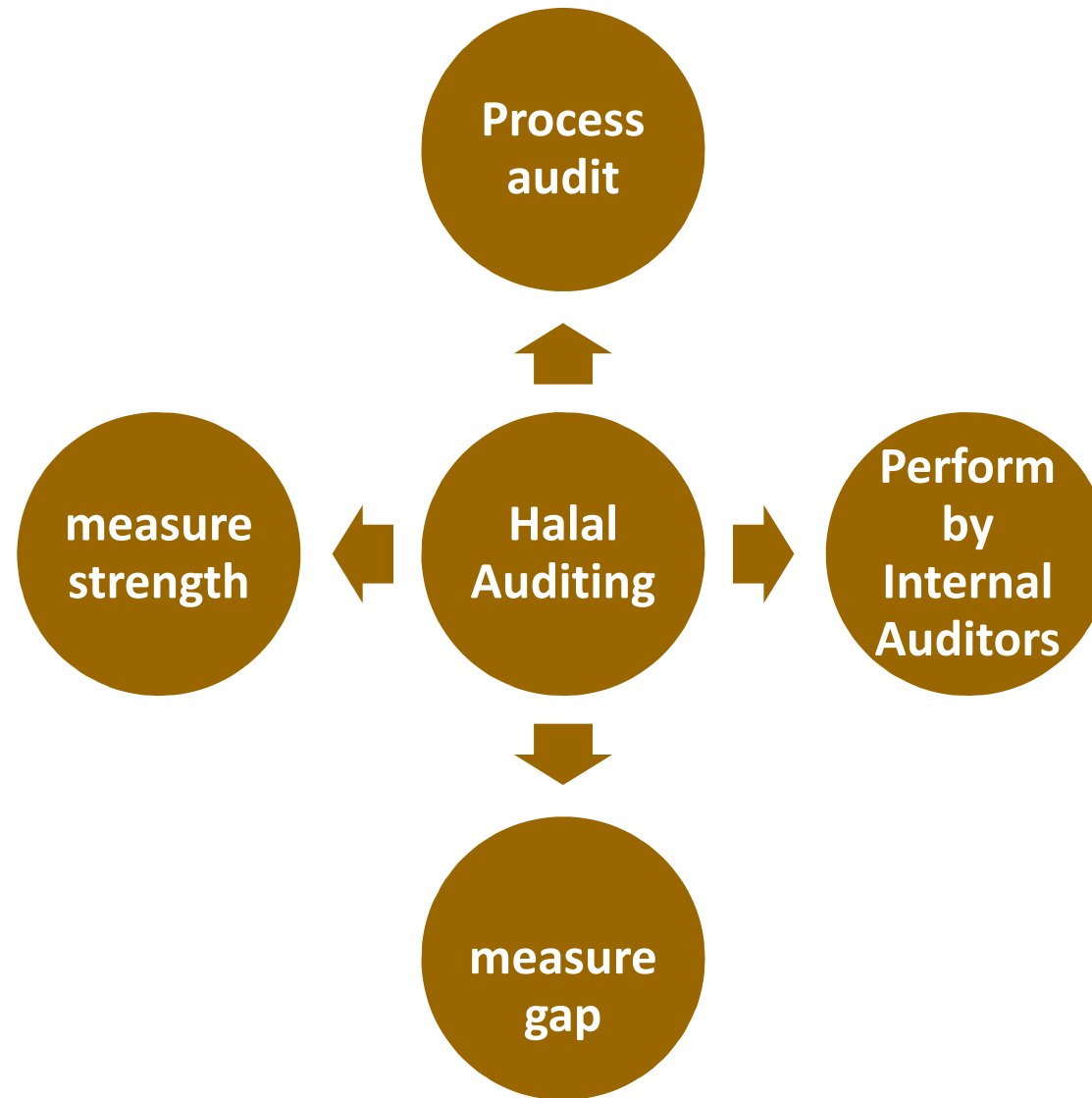
PRESENTATION OUTLINE

- Introduction
- Halal Internal Audit Requirements
 - Internal auditors
 - Standard references
- Halal Internal Audit Procedure
 - Audit planning & preparation
 - Audit execution
 - Conclusion

HALAL INTERNAL AUDITING



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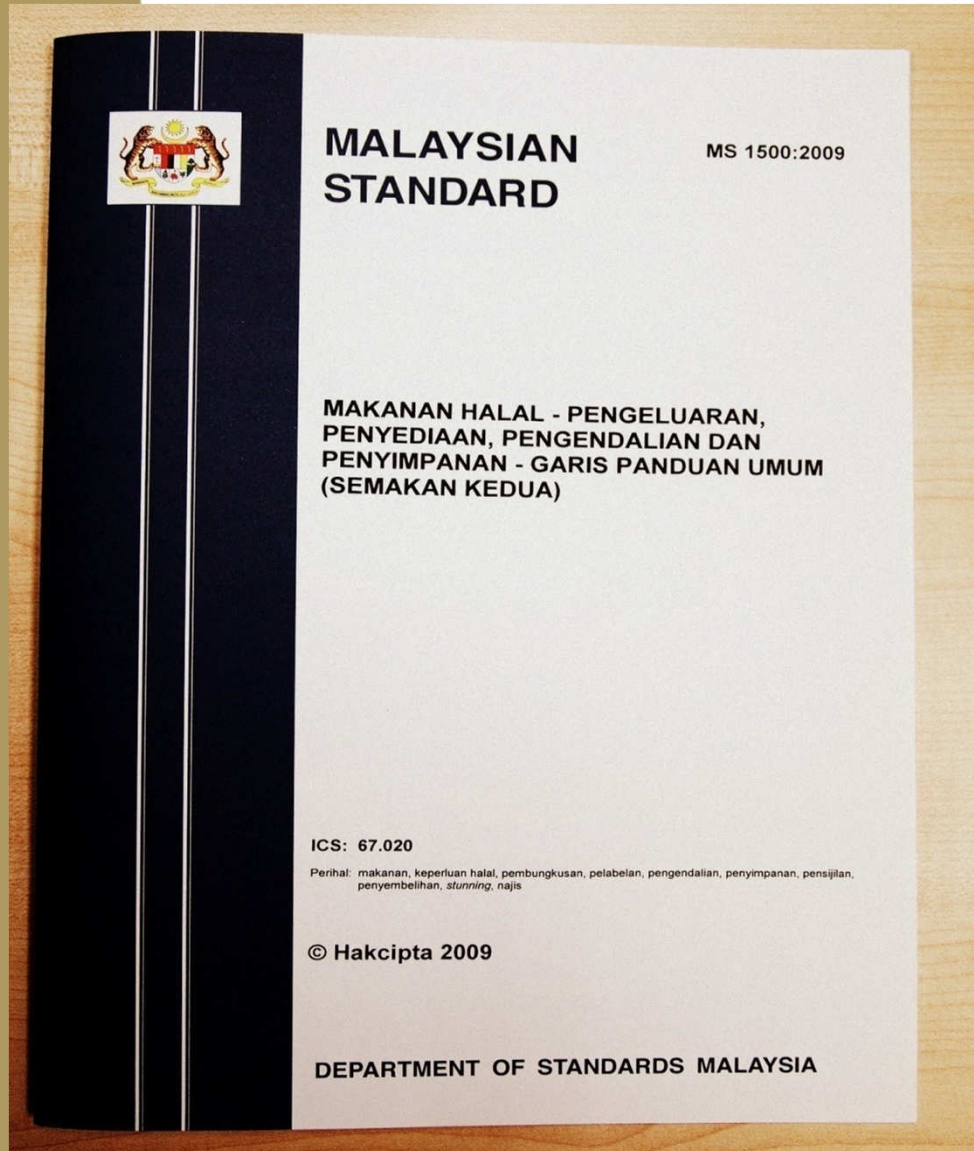


WHY HALAL INTERNAL AUDITING?

- To ensure on going compliance to:
 - 1.0 Shariah laws & principles of Halal & haram in Islam with regards to Halal certification.
 - 2.0 MS 1500:2009 & JAKIM Manual Procedure of Halal Certification Malaysia.

3.1.1 The management shall appoint Muslim *Halal* executive officers or establish a committee which consist of Muslim personnel who are responsible to ensure the effectiveness in implementation of internal *Halal* control system. (MS 1500: 2009)

Standard Reference



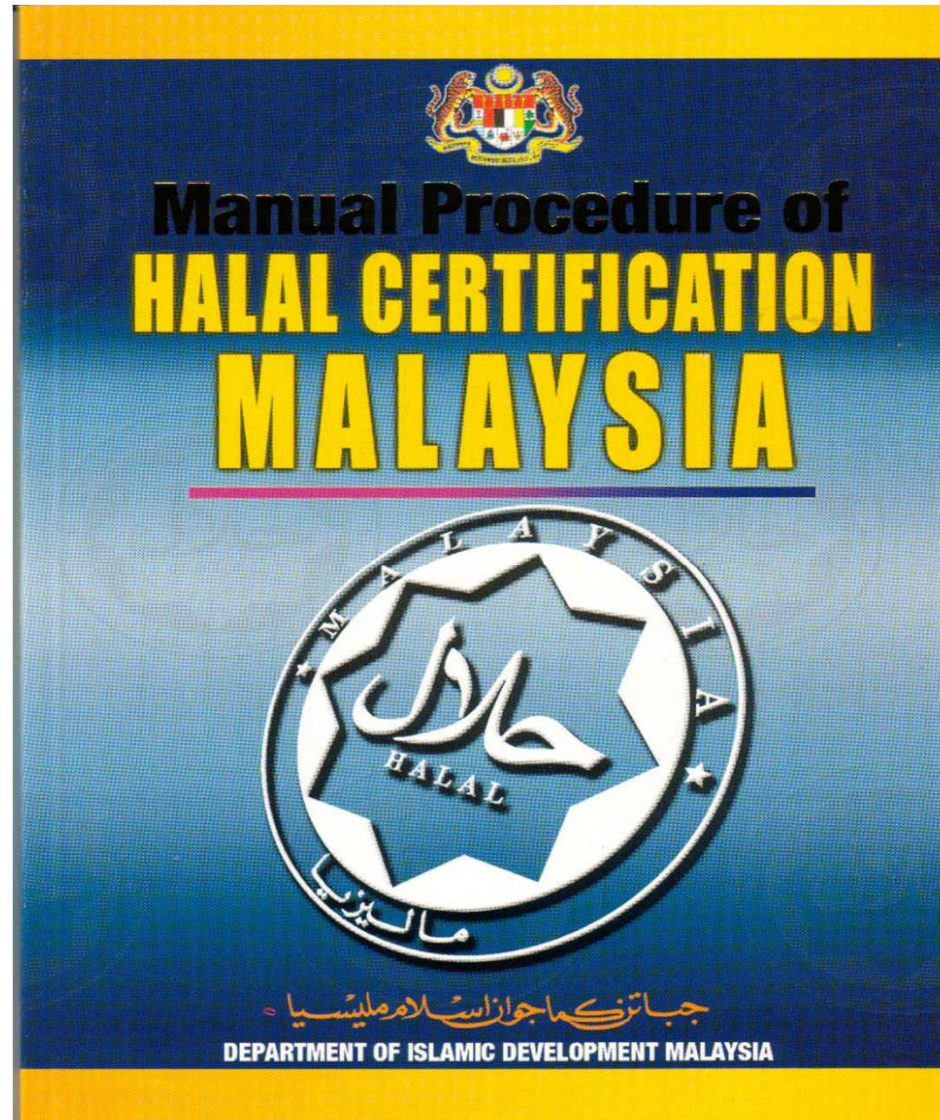
**MALAYSIAN STANDARD
MS 1500:2009**

**HALAL FOOD – PRODUCTION,
PREPARATION, HANDLING AND
STORAGE – GENERAL GUIDELINES
(SECOND REVISION)**

Standard Reference



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MANAGEMENT RESPONSIBILITIES

- Establish Halal internal audit team
- Establish Halal internal audit procedure
- Conduct internal audits at planned intervals
- Ensure product comply to reference standards
- Record Halal internal audits

HALAL INTERNAL AUDITOR

Internal
Auditor

- Shall appoint by management
- Lead Auditor must be Muslim

Internal
Auditor

- Competent with Shariah knowledge
- Understand application of Halal principles .

Internal
Auditor

- Equipped with skills & experience to effectively perform auditing

HALAL INTERNAL AUDITOR

- Lead auditor
 - Must be Muslim
- Auditor
 - Minimum size of audit team is 2 auditor

THE ROLES OF LEAD AUDITOR



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Lead an
audit
team.



Manage
the audit
process.

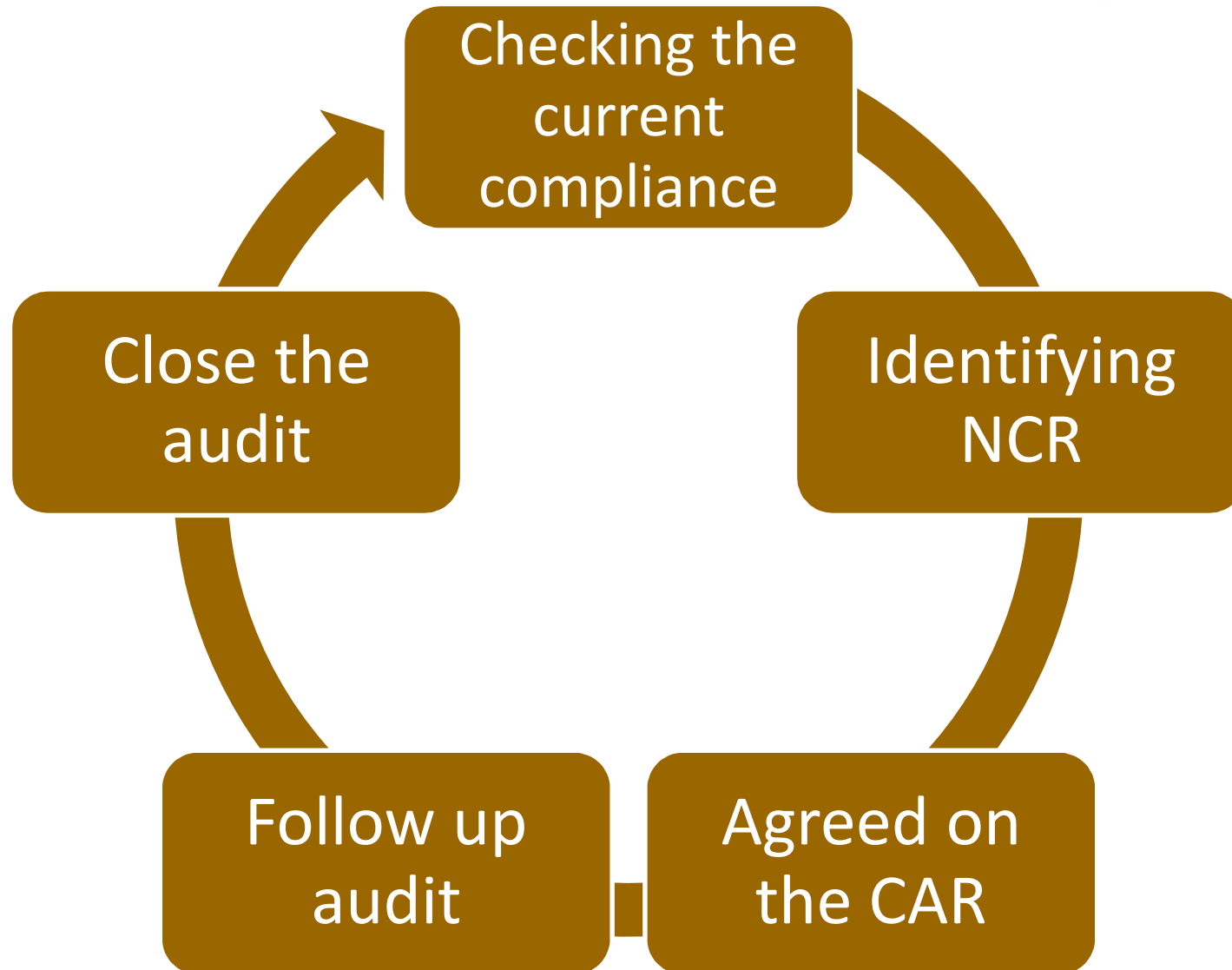


Make
final
decisions
regarding
the
findings

THE ROLES OF AUDITOR



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THE ROLES OF AUDITEE



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Facilitate
audit
process.



Cooperate
during
audit.



Provide
objective
evidences

HALAL INTERNAL AUDITORS



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Should conduct an audit with the **full authority** of the executive management.

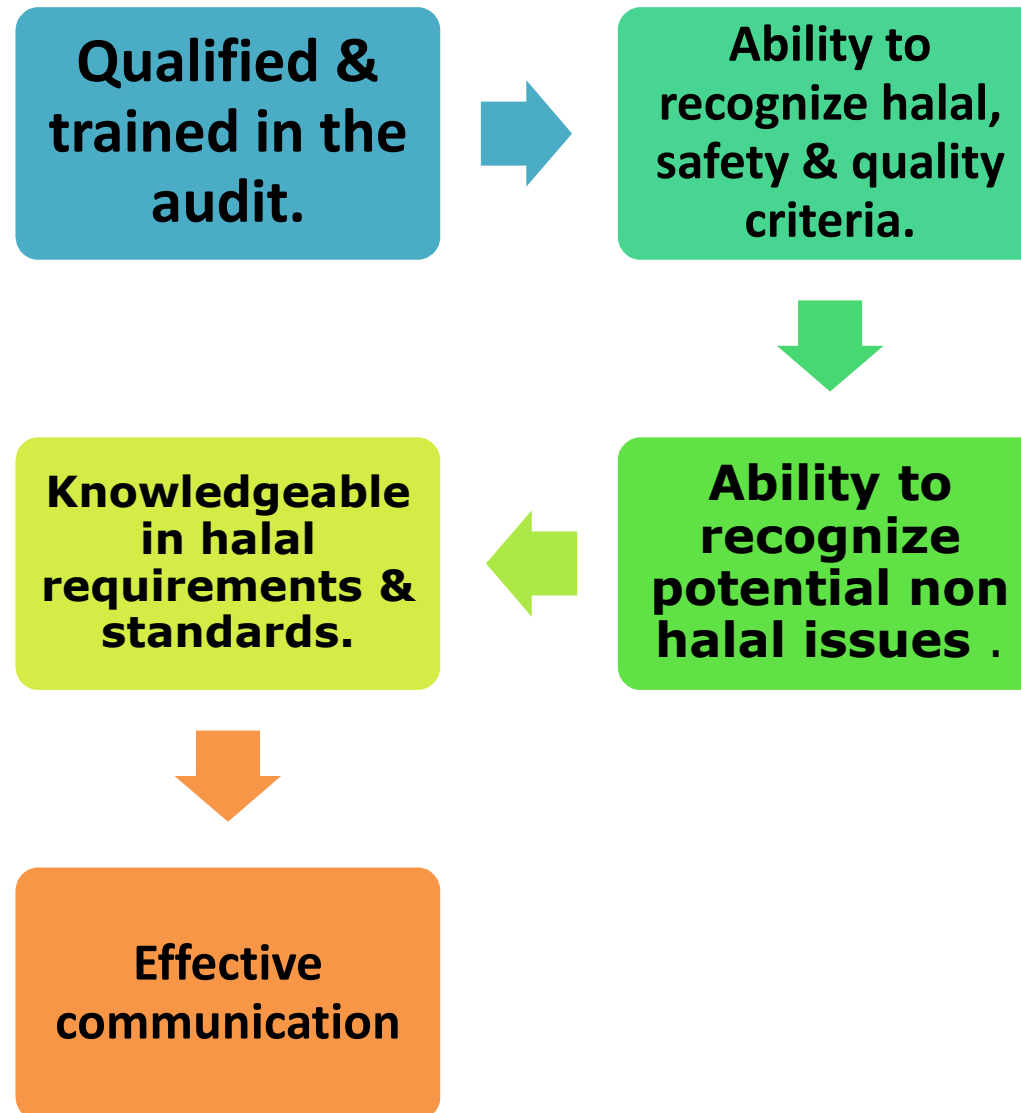
Should be **independent of** the function being audited.

Should be **objective** when undertaking audits.

KEY COMPETENCIES



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HALAL INTERNAL AUDIT PROCEDURE



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- Standard references
 - » MS 1500:2009 Halal Food Production, Preparation, Handling & Storage
 - » JAKIM: Manual Procedure of Halal Certification Malaysia
- Checklist
- Opening meeting agenda
- Closing meeting agenda
- Audit schedule
- Attendance form
- Non conformances forms

Halal Checklist

- A list that contains points/elements for assessment.
- Is a tool prepared by auditors for assessing the assurance of the Halal product.
- It ensures that every aspects of the element/operation clearly defined and covered.
- An objective evidence that an audit was performed.

CHECKLIST

- Think in terms of “WHAT TO LOOK” and “WHAT TO LOOK FOR” when preparing checklist questions.
- Auditors need to prepare checklist for adequacy audit & on site audit.
- Auditors need to be trained in the use of checklist.

HOW?



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- Look at the requirements

❖ 2.3 Halal Food

- Food and drink and/or their ingredients permitted under the *Shariah* law and fulfil the following conditions:
 - a) Does not contain **any parts or products** of animals that are non-*Halal* by *Shariah* law or any parts or products of animals which are not slaughtered according to *Shariah* law;
 - b) Does not contain *najs* according to *Shariah* law;

PIG & ITS DERIVATIVES

FAT (LARD)

FAT DERIVATIVES

- Glycerin
- Mono & Diglycerida
- Emulsifier
- Creamer
- Ice Cream
- Margarine
- Tooth Paste



BROTH

- Flavor
- Soup
- Seasoning



TEXTURIZER

- Cosmetic



GELATINE

- Ice cream
- Marshmallow
- Yoghurt
- Soft candy
- Jelly
- Capsules



COLLAGEN

- Sausage casing

LEATHER



SKIN

- Cystein
- Tooth Brush
- Brush
- Bread Improver
- Flavor



SHORTENING

- Bakery biscuit



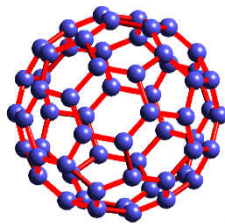
MEAT

- Flavor
- Seasoning
- Powder
- Bacon
- Pasta
- Burger
- Meat flash



BONE

- Activated Carbon
- Refined Oil & Water



BLOOD

- Fermentation Media
- Medicine
- Sausage
- Microbial Products



HAIR

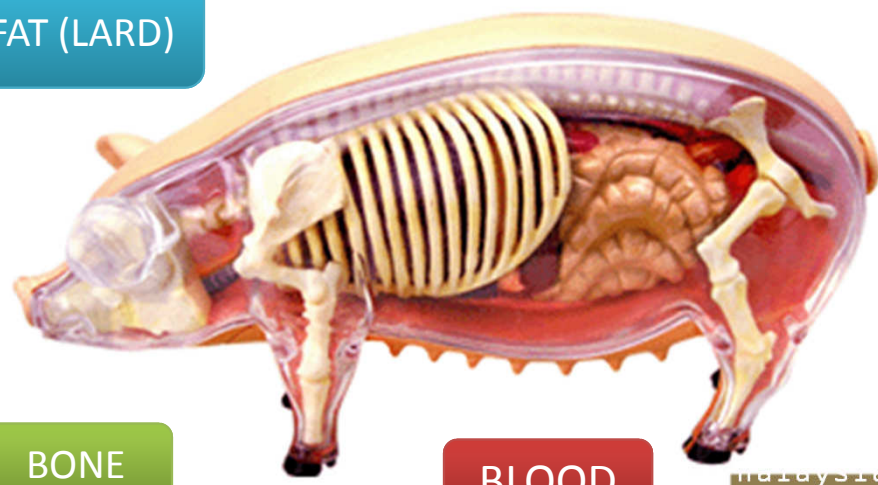
INNARDS

Intestine

- Sausage casing
- Pancreas
- Insulin
- Enzyme
- Rennet
- Cheese



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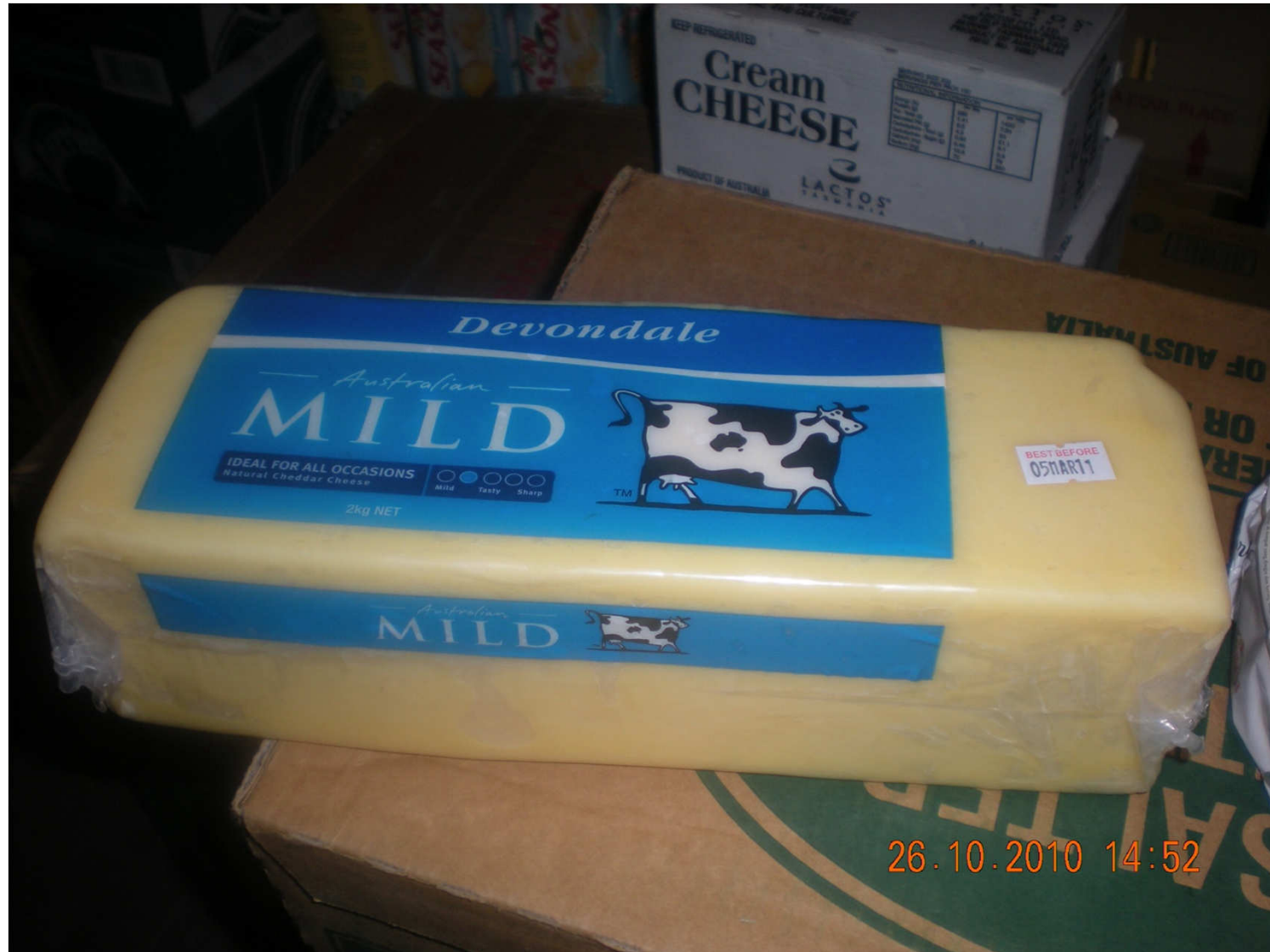
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malaysia

WHAT TO LOOK FOR?



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WHAT TO LOOK FOR??



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OFFICE: POK BROTHERS SDN. BHD.
 7, JALAN UJDA, SEKSYEN UI,
 HICOM-OLINMAJU INDUSTRIAL PARK,
 4000 SHAH ALAM,
 SELANGOR D. SERI, MALAYSIA.

اسم الله الرحمن الرحيم
 (شهادة بالذبح على الطريقة الإسلامية)
Certificate for Meat Slaughtered by Muslims

Name of Islamic Organisation
 THE ISLAMIC COUNCIL OF HALAL MEAT IN AUSTRALIA
 Office
 Unit 1 / 25-27 Herrow Street
 Auburn NSW 144 - Sydney Australia
 Ph (02) 9543 7775 Fax (02) 9543 7776
 Email: sstchma@bigpond.net.au

Signature of Representative

 MOHAMMED MAYAT 23-02-2010

تشهد المؤسسة الإسلامية الموضح اسمها أعلاه بأن أرساليه هذه اللحوم الميتة أدناه طعم حيوانات ذبحت على يد ذابح مسلم تحت إشراف هذه المؤسسة طبقا للشريعة الإسلامية وبذلك تطعم هذه الحيوانات صالحة لاستهلاك المسلمين في جميع أنحاء العالم وقد اتخذت كافة الإجراءات اللازمة لهذه الاحتياطيات بطعمه أخرى.

The Islamic Organisation certifies that the consignment of meat detailed below is from animals slaughtered by Muslim slaughtermen, authorised by the Organisation, using a knife and according to Islamic rites. The meat of animals so slaughtered is Halal and therefore suitable for consumption by Muslims in any part of the World. Adequate precautions have been taken to prevent mixing with non-Halal meat.

Description of meat 876 CARTONS CHILLED BONE-IN AND BONELESS BEEF AND BEEF OFFAL	Official Stamp 
Marks STB/30765	
Net mass 16571.8 KG	
Ship/voyage or Airfreight NORTHERN DIVINITY V4310	Certificate number 286144
Port/airport BRISBANE → PORT KELANG	
Abattoir/works Stanbroke Beef Pty Ltd Grantham Scrub Road GRANTHAM QLD 4347	 Australian Government Department of Agriculture, Fisheries and Forestry Australian Quarantine and Inspection Service
I hereby certify that since the meat specified in this certificate became Halal at the time of slaughter by a Muslim slaughterman authorised by the above Islamic organisation, it has not lost its identity nor become mixed with non-halal meat.	Government Seal 
Date of issue 19 FEBRUARY 2010 Place of issue GRANTHAM in the State of QUEENSLAND	22.09.2010 10:43 P.G. CROSSBY Authorised officer under the Export Control Act 1982 for the Australian Government, Department of Agriculture Fisheries and Forestry

Certificate of Meat Slaughtered by Muslims



Halal Certificate from JAKIM

LOOK AT THE REQUIREMENTS

- 6.4 - Companies which fall under Multinational and Medium Industry categories should form an Internal Halal Audit Committee and appoint an Islamic Affairs Executive (Islamic Studies) to handle and ensure that Halal procedures are complied
- 6.5 - A minimum of two Muslim permanent employees of Malaysian citizenship are required at the kitchen/handling/food processing area

Name of Organization :

Department :

Date of Audit :

Auditors :

Auditee :

Area/Assessment	Document reference	A	B	C	N/A	Records, Evidence, Notes
1. Raw Materials: Storage Area	- MS 1500:2009 (3.6)					
a) All raw materials & ingredients are certified Halal from Islamic bodies recognized by JAKIM	- MS 1500:2009 (3.5.1) - JAKIM manual procedure (6.2)					a) Valid Halal Certificate b) COA c) Process flow chart d) Product specification e) Supplier audit records
b) List of the raw materials should be same as declared in the application form	-JAKIM manual procedure (6.2)					a) Copy of application form submitted to JAKIM b) Halal File
b) Delivery transportation is only for Halal material or products	- MS 1500:2009 (3.6)					a) Delivery record b) Product Specification/MoA

AUDIT EXECUTION: STAGES



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Opening meeting

- Explain the purpose of audit
- Explain the procedure of auditing

Conduct Audit

- Conduct on site audit during operation
- Review audit findings

Closing meeting

- **Presenting the summary & audit team views on halal compliance.**
- **Presenting the non conformances & agreed corrective actions.**

CONDUCT AUDIT

- How to gather objective evidence ?
 - Examination of documents & records.
 - Observations of practices & conditions in the factory through on site visit.
 - Interviews with designated personnel.

EVIDENCE: HALAL CERTIFICATE



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CONCLUSION

- HALAL INTEGRITY IS EVERYBODY'S RESPONSIBILITIES IN AN ORGANIZATION
- EVERYBODY IN THE ORGANIZATION MUST UNDERSTAND THE HALAL CONCEPT (**HALALAN THOYIBBAN**) & IMPLEMENT BEST HALAL PRACTICES
 - UNDERSTAND,
 - APPRECIATE,
 - VALUE,
 - EFFECTIVE ACTION



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THANK YOU

norhaizam@hdcglobal.com

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