FairTSA Internal Control System Manual Template

Version 1.0, September 6, 2016

**Please note: This Manual was created by FairTSA for use of entities certified under the respective FairTSA standard. All certified operations may use, amend and change this document according to their needs and specific circumstances.**

**Important: All text in square brackets [ ] is a placeholder only. It should be eliminated in the final version and replaced with the proper text by the authors of the manual.**

 INTERNAL CONTROL SYSTEM MANUAL

[Name of Organization]

*[Version x.x, Date]*

*[Enter author(s)s and their respective organizations here]*

# 1. Management and Distribution of the FairTSA Internal Control System Manual

**1.1 The FairTSA Internal Control System (ICS)**

The Internal Control System (ICS) is a system that ensures the that all social requirements of the FairTSA standard are fulfilled, even if an annual inspection a third-party inspector is not possible. It is a system in which all persons dealing with the certified products such as farmers, buyers, field agronomists and buyers are identified and instructed. The activities of these persons are monitored in a system of regular visits and documentary control.

**1.2 The ICS Manual**

This Internal Control System Manual contains the instructions and forms used in carrying out ICS functions. It describes the responsibilities of all involved players in the project.

**1.3 Availability of the ICS Manual**

This complete ICS manual is made available to:

• General Assembly Meeting of the Farmers’ Association (if any)

• Management of the Company

• Management of the associations, if any

• Field officers

Copies of the complete document are kept at the offices of the associations for access by interested farmers. The following appendices The following parts of the ICS manual are also distributed to the farmers:

• Farmers contract

* Basic FairTSA Requirements

**1.4 Responsibility for and Updating of the ICS manual**

This ICS manual is kept up to date on a regular basis. Findings of the Field Officers, ICS Supervisor, ICS Manager, Managers of the Company, Managers of the Associations, results of the annual report, recommendations by consultants, and findings of the external inspector or conditions set by the certification body lead to adaptations of procedures and forms. At least once a year at the end of each marketing season, the ICS manual is reviewed and modified when changes are required.

It is the responsibility of the ICS Manager to revise and update this ICS manual. The ICS Manager is responsible for distributing the updated and approved ICS documents and the updated procedures to all involved parties. It is the responsibility of the ICS Manager to ensure that all concerned personnel receive notification of which sections of the ICS manual have been changed. He/she shall ensure that all staff members are aware of the forms and procedures are current and valid.

# 2. Brief Description of Project Activities

# Please note: You may copy all of the information in Section 2.1 – 2.4 from the organic ICS Manual!

**2.1 Overview of the Project Area**

[Enter a brief description of the project area, typical agricultural crops, prevailing soil types and one or more maps as appropriate].

**2.2 Overview of Villages, Farms and Products**

[Enter a brief description of the farms such as typical products, average and range of farm sizes, and any typical activities]

**Table 1: Villages, number of farms, acreage (hectares), products and yields for FT Program**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of Village** | **Households**  | **Farmers**  | **Fields**  | **Field size (hectares or acres)**  | **FT Product**  | **Yield in (kg)**  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Total**  |  |  |  |  |  |  |

## **2.3 Overview of Post-Harvest Treatment, Product Collection and Marketing/Selling**

[Enter appropriate information here]

## **2.4 Tracing and Farm and Field Codification**

[Describe in detail how the tracing of FairTSA Fair Trade product happens from the field to the point where it is transported to the processing facility]

**2.5 Applicable Fair Trade Standard and Scope of Certification**

All farmers are working under the FairTSA Fair Trade Standard version 3.2.

# 3. Critical Control Points and Risk Assessment

[Critical Control points are points where the is a high risk of violating FairTSA standard violations. This assessment needs to be made by the Internal Control System Manager].

# 4. Organizational Structure

## **4.1 Organizational Diagram**

[Either simply refer to the diagram in the Organic ICS Manual if the organizations structures are the same or explain the differences]

## **4.2 Internal Control System Personnel**

The Internal Control System Manager

[Insert name and contact information here]

Main duties of the ICS Manger are the following:

* To arrange the financing of the internal control system
* Allocation of resources and staff
* Coordination of external inspection
* Acting as the contact person for the certification body
* Compile data and report to certification body
* Oversee and carry out training of field inspectors.

[This list can be extended as per the needs of the ICS.]

The Documentation System Manager

* Maintain and document updates to the ICS Manual
* Maintain all documents created by the field inspectors
* Main and update training materials

[This list can be extended as per the needs of the ICS.]

The Field Inspector(s)

The duties of the field inspectors are the following:

* Distribute the Internal “Basic Fair Trade Requirements Document” to all farmers in a form readable to farmers
* Normal visit to each farmer at least twice per year ensuring that the basic Fair Trade requirements are kept at all times
* Documenting all visits in a diary (code numbers of farmers visited, activities)
* Regular visits to the buying station during the harvest season
* Report to the ICS manger on any doubt, fraudulent behavior, deviation or any other relevant observation during visits to farms or buying center.

[This list can be extended as per the needs of the ICS.]

## **4.3. Conflict of Interest Policy**

The internal inspectors and the ICS supervisor must sign a conflict of interest declaration. The ICS Manager is responsible for verifying that no conflict of interest occurs; (e.g. an internal inspector cannot inspect his/her family members that they are not allowed to accept presents etc.).

# 5. Training Policy

[Please describe how the field inspectors are trained and the training frequency. Trainings must be conducted at least once a year.!]

# 6. Control and Approval Procedures

## **6.1. Internal Inspections by Field Inspectors**

The internal inspection takes place before harvest of the products. The internal inspector inspects working conditions for farmers, farm workers and potential child labor as well as any worker health or safety concerns and notes these on the field inspection forms per the “Basic Requirements for Field Inspections” document. All information is documented on the field inspection form, which is signed by the internal inspector and by the farmer (illiterate farmers confirm with fingerprint). At the end of the inspection, a final discussion takes place.

## **6.2 Standard Violations and Sanctions**

The organization that set up the ICS sets the company policy aimed at obtaining and maintaining the FairTSA Fair Trade status. Farmers sign a contract with the company to follow the internal Fair Trade standard, but in case a farmer violates the internal standards, the governing body of the ICS decides on sanctions and corrective measures.

The ICS manager makes a list of possible violations and the sanctions / corrective measures that will follow upon such violation. Also the ICS manager will assess any violations that are not listed and determine the proper sanction on this violation.

**6.3 Procedures for Growers that are de-certified**

In case a farmer is de-certified, the farmer is informed that he/she has violated and the contract and his/her name is withdrawn from the Grower List of the farmers. In the file of the farmer a clear mark is made that the farmer has violated the contract and the farmer and his fields are removed from the Grower list of farmers. If the buying list is present, then the Farmer is crossed off the buying list.

Depending on the nature of the violation and the wish of the farmer and the ICS Manager, the farmer can be removed from the group, or the farmer can suspended for an appropriate amount of time.

**6.4 Commingling of Fair Trade and non-Fair Trade Products**

If a producer has been de-certified, or his products have been de-certified the products must be taken aside and be sold as non-Fair Trade. If such products or plain conventional products have been mixed with fair Trade products, these shall also be taken aside and a dialogue shall be initiated with CERTIFICATION BODY. In the meantime, no such product shall be sold as Fair Trade.

**6.5 Appeals**

If a farmer does not accept the decision on violation, s/he can make an appeal to the appropriate body governing the ICS. The ICS manager has then to carefully interview the farmer and the Field Officer before making a decision. Any result of an appeal should be noted on the Violation Report.

**6.6 Decision about Violations by CERTIFICATION BODY**

In some cases, the CERTIFICATION BODY may have another opinion than the ICS Manager of the company about the proper sanction for a certain violation. If the CERTIFICATION BODY insists the Company will apply the sanction as instructed by the CERTIFICATION BODY.

**6.7 Documentation of the ICS**

The documents of each farmer in the project are kept in the farm files. The farm files are stored in the office of the ICS Manager.

The farm files contain for each farmer the forms that have been filled out during the registration procedures plus the forms that have been filled out during inspection.

The data of all farmers and the results of the internal control are summarized in the growers list.

**7. External Inspection and Certification**

During the external inspection by the FairTSA certification body, the effectiveness of the Internal Control System will be evaluated. The certification body sends an external inspector to re-inspects a certain number of farmers. The percentage of external control will be determined by the certifier on the basis of a risk assessment. Also the inspector may undertake witness audits; i.e. accompanies internal inspection visits to evaluate their effectiveness. The external inspector compares his observations with the documents of the internal inspection and evaluates if the Internal Control System, the internal inspections and the farm extension fulfil the minimum requirements and are sufficient to guarantee that the organic activities of all farmers comply with the external regulations/standards.

Based on the result of the inspection, the certifier will decide whether the organization will receive the certificate that enables it to realize Fair Trade certified sales or which conditions have to be fulfilled before the certificate can be issued.

**8. Buying and Storage and Handling Procedures and Documentation**

**Please note: You may use the procedure for the organic ICS and just replace them with “FairTSA” and insert here.**

## **8.1 Buying Procedures**

At the moment of buying, a clear audit trail of documents is started to ensure that it is possible to trace the crop produced in the different villages to the processing unit, from the processing unit to the store in the importing country and the other way around from the store in the importing country to the farmer. To keep a proper traceability also allows the project to exclude products even in the cases where they have been delivered but not yet processed, and can be used for quality improvements, e.g. if at processing it is identified that products from a certain buying station is sub-standard in some way the staff can be instructed to improve.

Buying of the products from growers follows a strict procedure as described below. The Buying List records the purchases that are made from the farmers and follows the same format as the Grower’s list. The original is kept at the buying station, to which ICS Manager has access at all times.

1. Before starting buying, the Buying Manager must have a copy of the Buying List, with indication of each certified Farmer and their yield.

2. The farmer is identified as being an FT farmer from the data in the grower list

3. The quantity of FairTSA product delivered is recorded in the Buying list.

5. A Cash Voucher is completed. The Voucher should contain both the weight and the value. The vouchers will be stamped “FairTSA’”. The farmer receives a copy of the Cash Voucher. Other copies will be kept in file by the person overseeing the buying procedure.

The records of buying are kept in the buying offices, and at the close of the buying season, copies of the records are transferred to the office of the ICS manager.

**8.2 Storage and Handling Procedures**

In principle the same procedures as for organic products apply. The main points are the following:

At no time during the buying or further processing or handling must there be any possibility non-FairTSA certified products enter the product stream. Once bought the FairTSA product will be clearly identified and kept separate from any other non-FairTSA produce.

The following procedures apply:

1) All storage facilities must be registered in the Facility Registration Form.

2) Signs must be placed on the inside (walls) and outside (doors and forefront) of the building indicating that it is an FairTSA warehouse.

3) The FairTSA certified product must at all time be kept separate from conventional products and will therefore be packed in bags printed with the word FairTSA.

4) The bags are labelled (see section on labelling)

5) On the walls next to or behind the stored FairTSA product notices will be placed to indicate that it is a FairTSA certified product that is being stored.

**9. List of annexes**

􀂉Field Registration form (use same form as for organic ICS)

􀂉Basic FairTSA Fair Trade Requirements

􀂉Form to declare ownership of the fields (use same form as for organic ICS)

􀂉Field inspection form

􀂉Purchasing Contract (use same form as for organic ICS and add clause regarding price premium and community development)

􀂉Conflict of Interest form (use same form as for organic, exchange organic with “FairTSA Fair Trade”