

FairTSA Internal Control System Manual Template

March 28, 2024

The major requirements that have to be controlled by the Internal Control System (ICS) are laid down in sections 3 and 6 of the FairTSA Standard 4.13.

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

COMPANY NAME

[Version x.x, Date]

[Enter author(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 that all requirements of the FairTSA standard are fulfilled, 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
- Management of the Company or association
- Field inspectors

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

- Farmer contracts

Note: If no contracts exist, please describe the manner how the purchasing of the raw materials happens and how the pricing is set.

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 Inspectors, ICS Supervisor, ICS Manager, Managers of the Company or 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. Project Activities

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 Farmer Information Sessions

The Internal Control System Manager must organize annual information sessions for the farmers participating in the ICS. The meetings and the participants must be documented. If not all farmers can attend, it must be ensured and documented that there is a system in place to keep these farmers informed too.

2.6 Applicable Fair Trade Standard and Scope of Certification

All farmers are working under the FairTSA Fair Trade Standard version 4.13. The scope is agricultural production of jute and the processing into bags.

3. Critical Control Points and Risk Assessment

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

Child labor: is only used on family farms to support the whole family. It is not hired labor. Children are able to attend school and work on the family farm does not prevent that. If children work on family farms it must be ensured that the work is age-appropriate and does not prevent available schooling.

Worker wage: Field inspectors must make sure that farm workers are paid appropriately.

Buying/collecting centers or agents: They need to be inspected by ICS Field Inspectors frequently during buying/harvesting time to ensure that only jute from FairTSA certified farmers is bought and transported to the rice mill.

4. Organizational Structure

4.1 Organizational Diagram

[Either simply attach the diagram in the Organic ICS Manual if the organizational 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
- Ensure that participating farmers are properly informed about FairTSA requirements.

[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.]

Please note: The ICS Manager may act as the Documentation System Manger also. In this case the ICS manager is responsible for all pertaining documentation.

The Field Inspector(s)

The duties of the field inspectors are the following:

- Normal visit to each farmer at least twice per year ensuring that the basic Fair Trade requirements are kept at all times
- Keep farmers informed about FairTSA requirements on an ongoing basis
- 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 manager on any questions, fraudulent behavior, obvious standard violations and any other relevant observation during visits to farms or buying centers.

[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. Registration of New Farmers

If new farmers join the ICS they must first attend an information session organized by the ICS manager.

6. Training Policy for Field (Internal) Inspectors

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

7. Control and Approval Procedures

7.1. 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.

7.2 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.

7.3 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 be suspended for an appropriate amount of time.

7.4 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 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.

7.5 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.

7.6 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.

7.7 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. The ICS management MUST sign a contract with each farmer, which must also be on file. A sample contract has to be added as an Appendix to this Manual.

8. 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.

9. Buying and Storage and Handling Procedures and Documentation

9.1 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 the 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 products 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.

9.2 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 product.

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 always be kept separate from conventional products and will therefore be packed in bags printed with the word FairTSA.
- 4) The bags are labelled at least with the words "FairTSA certified". Accompanying shipping documents must contain this wording too.
- 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.

10. List of Annexes

- Field Registration form
- Form to declare ownership of the fields
- Field inspection form (to be created by IVS Manager, based on the FairTSA Group Member Inspection report for third-party inspectors).
- Purchasing Contract
- Conflict of Interest form
- Farmer contract
- A summary of FairTSA Requirements in the local/regional language.