



Audit

Standard Operating Procedure

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0 Purpose of this Document

FLOCERT is conducting audits against the Fairtrade Standards with the objective of controlling compliance of producers and traders with these standards. This document describes the basis on which an audit is planned and structured.

This document defines the composition of audit teams, the number and kind of interviews, the number of samples taken on affiliated organisations, and the documents that need to be checked.

The number of audit days based on the organisational or corporate structure is described in the *CERT AuditTime WI*.

A description of the certification system of FLOCERT is provided in the *CERT Certification SOP*. This document includes a description of the audit frequency. The audit frequency of Additional Entities however is described in *CERT ScopeOfCertification ED*.

This Standard Operating Procedure is binding for all FLOCERT certification staff members and auditors in Fairtrade Certification. Any deviation from this SOP must always be reported and clearly documented in the Ecert Auditor Web portal, Start Tab, Field "Deviation from Audit Procedure / ToRs".

1 Use of the Document

The document is divided into two sections: (3) Audit Types and (4) Audit Structure.

The third section describes the different audits conducted by FLOCERT.

The fourth section provides an overview on the composition of audit teams and the implication on the duration of an audit and a description of the rationale behind the audit structure of FLOCERT.

2 Audit Types and Related Scope of Work

Any type of audit can potentially be an observed audit, which means that the auditor is accompanied by another person, .e.g Fairtrade International, a journalist or another third party. Observed audits have to be communicated to the customer and the customer gets the chance to approve such accompaniment.

Onsite audits are:

- Initial Audit
- Focused AuditRenewal Audit
- Additional Entity Audit
- Follow-up Audit
- Scope Extension Audit
- Unannounced Audit

Offsite audits are:

- Desktop Audit

2.1 Initial Audit

Based on the information received during the application phase, the initial audit is planned. This information is part of the terms of reference of the auditor.

Scope Initial Audit

- Verification of information provided by the applicant during the application phase
- Verification of transactions traders made during the permission to trade phase
- Verification that no trade took place before the date of permission to trade
- Evaluation of compliance criteria valid for all operators

2.2 Focused Audit

A focused audit may take place in between two Renewal audits / an Initial and a Renewal audit in order to follow up on non-conformities identified at the last Initial/Renewal audit and to focus on specific sections of the Fairtrade Standard that are identified as critical for the individual customer.

Therefore, a focused audit concentrates on those sections of the checklist where non-compliances were detected in the last Renewal audit. Additionally, further subsections can be in the focus of the audit, if deemed necessary by the responsible certification analyst.

The remaining sections are not excluded from the audit scope and the auditor may request for further evidence for those sections if deemed necessary. A focused audit can be replaced by an unannounced audit if deemed necessary.

Scope Focus Audit

- Verification of continued compliance of all the subsections where non-compliances were detected in the last Renewal audit
- Verification of additional subsections / certain CC as selected by analyst
- “Reactive approach” to all other criteria
- The audit always includes the whole time period since the last physical audit which indicated in the audit preparation letter as “focus period”.
- Please note that non-conformities can also be raised based on incidents that happened prior to the audit period.

2.3 Renewal Audit

A renewal audit has two objectives: first, to monitor continuous compliance with compliance criteria applicable for the valid certificate (past); and second, to verify compliance with upcoming compliance criteria which will be applicable for the next 3-year cycle (future).

EXAMPLE:

The producer has been certified for 6 years. This means the operator has successfully passed the first certification cycle, the certificate has been renewed once (after 3 years). At this point, the producer is preparing for another renewal audit in order to achieve a certificate for the next 3 years. The auditor is required to control all compliance valid at this point in time.

Scope Renewal Audit

- Evaluation of continued compliance with compliance criteria **applicable at that point of time** for the respective operator.
- The audit always includes the whole time period since the last physical audit which indicated in the audit preparation letter as “focus period”...
- Please note that non-conformities can also be raised based on incidents that happened prior to the audit period

2.4 Follow-up audits

A follow-up audit is the result of an evaluation or certification decision. The goal of a follow-up audit is to follow-up on the implementation of corrective actions to the non-conformities identified during the regular audit. During the follow-up audit, the auditor will document the status of the Objective Evidence.

Scope Follow-up Audit

- Evaluation of compliance with the major and other compliance criteria where a non-conformity during the last audit was detected and which cannot be verified through documents, or in case of a very high number of non-conformities

2.5 Additional Entity Audit

An Additional entity audit is carried out at the premises of an additional entity of a master operator. Additional Entities are often subcontractors.

Scope Additional Entity Audit

- Verification of continued compliance with compliance criteria (selected by FLOCERT) which were valid at the point when the audit is performed as per checklist.
- The audit always includes the whole time period since the last physical audit which indicated in the audit preparation letter as "focus period" ..
- Please note that non-conformities can also be raised based on incidents that happened prior to the audit period

2.6 Scope Extension Audit

A scope extension audit is carried out if the customer would like to add an additional product or members to the certification scope and an audit is additionally scheduled before the next regular audit.

The audit will only focus on the compliance criteria related to the new product(s)/ new members which were not covered by the last audit for the existing certification. As there is no specific checklist type for scope extension audits, the certification analyst determines the relevant checkpoints in the ToR for the auditor.

Scope Scope Extension Audit

- Evaluation of compliance criteria applicable to new product which is supposed to be covered by the certificate in the future.
- Evaluation of compliance of additional entity which is supposed to be covered by the certificate in the future.

2.7 Unannounced Audit

One activity that greatly improves the credibility of the Fairtrade certification system is the use of unannounced audits. Unannounced audits allow us to assess what is happening at an operator during a 'typical' day, in contrast to the potential artificial environment established for an announced audit.

The FLOCERT Regional Managers select customers who will receive an Unannounced Audit based on a set of criteria, among which:

- ✓ Allegations
- ✓ Change in structure, scope extensions, exceptions that need follow up
 - ✓ Country/Region/Product specific risks
 - ✓ Other changes (e.g. from low volume to high volumes, high number of NCs in last Focused audit)
 - ✓ Additional topics, if deemed necessary for the individual customer, reasons may be e.g. group mass balance traders, traders with no transactions in last audit, high number of additional entities, FSP customers where traded volumes need to be confirmed on annual basis

- ✓ Other risks to compliance or the reputation of the Fairtrade system

The focus of the unannounced audit is flexible and will be determined by the certification analyst and communicated to the auditor via the Terms of Reference.

In general, the customer who receives an unannounced audit will not be informed at all before the auditor reaches the site. In some cases the customer may receive short notice notification prior to the unannounced audit, depending on the reason for an unannounced audit to make sure that the customer is available on the audit date.

The audit is carried out as a 'spot-audit', focusing only on specific compliance criteria that were selected beforehand by the analyst and clearly described in the Terms of Reference. The auditor is then not requested to actively check other CC not being part of the ToR, but may identify non-conformities with them if non-conformities are observed against those requirements.

The details on why the customer was selected and any other relevant information are captured in Ecert.

If an operator refuses access for whatever reason, then this is ground for an immediate suspension of the certificate.

Scope Unannounced Audit

- Check continued compliance of customers
- Checklist is defined by the responsible analyst.

2.8 Desktop Audit

A desktop focused audit of a producer or a trader can only be conducted as an exception if auditors cannot be sent into a region due to regional conflicts, natural disasters, outbreaks of disease, or other high-risk circumstances and there is a clear indication that the audit cannot be postponed or skipped. Any Initial or Renewal audits cannot be replaced by a desktop audit and always will be physical audits.

If the certified customer does not cooperate by sending in the required information, or fails to implement the imposed corrective measures resulting from non-conformities detected during the desktop focused audit, this might also lead to a suspension of the certificate of the organization.

Scope Desktop Audit

- Evaluation of compliance in case a physical audit is not possible due to regional conflicts, natural disasters, outbreaks of disease, or other high-risk circumstances.

3 Audit Structure

The audit in general comprises the steps listed below. An audit is considered to be complete when all relevant steps and all relevant compliance criteria have been evaluated by the auditor

Before conducting an audit, the auditors needs to:

- Agree with the customers on the audit dates and document this information in Ecert
- Send the Audit Preparation Letter including a detailed audit plan (this is valid for Traders and Producers) and the specific checklist not later than 2 weeks before the audit
- Ensure the Terms of Reference are available in Ecert
- Ensure that the complete audit time is assigned to you

(1) Opening Meeting

The opening meeting is a very important part of the audit. There should be allocated sufficient time to the opening meeting.

Opening meeting

- In the opening meeting the auditor introduces her/himself, explains the audit plan, and verifies contact details including information on additional entities such as affiliated organizations or subcontractors.
- The auditor will request a brief description of the situation at the operator's premises, gain an overview of technical systems in place. The auditor will also try to understand any specific circumstances that might influence the audit situation.
- The auditor assures as well the access of the customer to the Ecert operator web portal and if not possible, will note the reason why it is not possible.

(2) Interviews/Field Visits/Documentation Revision

In this part of the audit, depending upon whether it is a producer or trader audit, the auditor is generally requested to follow the guidelines listed below.

Interviews/ field visits/ document revision

- conduct a certain number of interviews to draw a representative sample of members and/or workers (). The interviews are conducted to verify information received during other interviews, document reviews or during a physical audit of production sites/additional entities.
- to interview certain groups like members of one community, sprayers, workers' committee and board/management.
- to review certain documents and to review information available in the technical systems of the operator e.g. personnel accounting, ERP systems or any other system. It is always necessary to identify the most authentic source of written information.
- to physically audit processing installations, storages and production sites.
- to visit some individual members on their farms (applies only to small producer audits).
- Any field visit as well as the physical audit of production/procession or other relevant facilities must always take into consideration, what was reviewed in the previous audits. The certification body must ensure that the information is available in Ecert. Thus the auditor is requested to ensure that all parts of the organisation will be audited in the audit cycle. Furthermore the auditor should not limit himself to one physical visit. It makes sense to visit different areas at different times, and sometimes re-visit sites also within one audit.
- to do individual interviews with members and workers without any interference of other members or workers, board and management.
- to sample a representative number of affiliated member organisations/affiliated estates (applies only to multiple structures)
- to cross check a certain number of transactions/contracts/invoices.
- to interview certain groups such as representatives of the purchase, (if applicable) processing/manufacturing and sales department, quality management, warehouse staff, etc. In Trader audits interviews cannot be limited to the primary FLOCERT contact.

(3) Closing Meeting

The closing meeting is also a very important part of the audit. There should be allocated sufficient time to the closing meeting and timelines in the audit plan must be kept or otherwise agreed with the operator.

Closing Meeting

- During the closing meeting all non-conformities are presented and explained to the customer by the auditor. The closing report summarizes the non-conformities and is signed by the customer and the auditor on-site.
- In the closing meeting it is also desired that the customer proposes Corrective measures to all non-conformities identified, if necessary also to the development criteria whenever the Score system applies.
- In exceptional cases if the auditor finds additional information that may result in adding a non-conformity he/she is not allowed to add this to the signed closing report after the closing meeting has been finalized. The auditor is asked to enter this information in the comments column of the checklist indicating the nature of the non-conformity and explain why it was only identified after the closing meeting. The NC status field needs to be indicated as “yes” since this was the situation at the time of the closing meeting. The analyst will then decide whether to add/amend the non-conformity in the audit result list/corrective measure workflow. However, the auditor is requested to verify before the Closing meeting that she/he received and understood all information from the operator.

3.1 Audit Rationale

The audit system of FLOCERT is based on the principle that an auditor has sufficient time to conduct a Fairtrade audit which meets our high quality goals. A separate Work Instruction on audit time provides an overview on how many audit days are allocated for the four principle areas: preparation, travel, onsite visit and reporting.

The time the auditor needs to conduct a complete audit depends on a number of factors: (i) the structure and size of the customer to be audited, (ii) the number of Fairtrade products traded, (iii) the number of additional entities and (iv) the number of commercial functions of the operator (e.g. producer + processor + exporter, (v) the type of the audit.

An audit is considered to be complete when all relevant compliance criteria have been evaluated by the auditor and opening meeting and closing meeting have been conducted.

3.1.1 Interviews

Conducting interviews is an integral part of the audit routine for producer and trade audits and an important tool for verifying compliance with the Fairtrade Standards. It allows us to gain an insight into the daily routines of our certified customers and receive first-hand information from members and/or workers. A representative sample of interviews should be conducted on different levels of an organisation/company.

External interview partners like union representatives are selected on a case by case situation. The following table gives an overview about the main interview partners during a producer and a trade audit.

Category	Main Interview Partners
1st grade producer organisation	<ul style="list-style-type: none"> • Individual members of the organisation (including board and committees) • Administrative staff • Workers hired by the organisation • Workers hired by individual members (if applicable) • Responsible person(s) for ICS • Responsible person(s) for Environmental Requirements • Worker's Representatives (if applicable)

<p>2nd or 3rd grade producer organisations</p>	<ul style="list-style-type: none"> • Delegates of the affiliated member organisation (including board and committees) • Individual members of the affiliated member organisation • Workers hired at all levels of the organization (3rd, 2nd & 1st grade and individual members) • Responsible person(s) for ICS • Responsible person(s) for Environmental Requirements • Worker's Representatives (if applicable)
<p>Contract Production Project</p>	<ul style="list-style-type: none"> • Management of promoting body • Individual members of contract production project • Workers of contract production project • Responsible person(s) for ICS • Responsible person(s) for Environmental Requirements
<p>Single Plantation (hired labour)</p>	<ul style="list-style-type: none"> • Management • Workers • Fairtrade Premium Committee • Union/Elected workers representatives • Local Trade Unions (if applicable) • H&S Officer • Responsible person(s) for Environmental Requirements
<p>Multi Estate (hired labour)</p>	<ul style="list-style-type: none"> • Management of central structure • Workers at central structure • Management of affiliated estates • Workers on affiliated estates • Fairtrade Premium Committee • Union/Elected workers representatives • Local Trade Unions (if applicable) • H&S Officer • Responsible person(s) for Environmental Requirements
<p>Artisanal and Small Scale Mining Organisation (ASMO)</p>	<ul style="list-style-type: none"> • Individual miners of the ASMO (including board and committees) • Production Partners of the ASMO • Administrative staff • Workers hired by the ASMO or its processing facilities • Workers hired by Members and Production Partners (if applicable) • Responsible person(s) for ICS • Worker's Representatives (if applicable)
<p>ASMO with Production Partner Organisations (PPO)</p>	<ul style="list-style-type: none"> • Delegates of the PPO (including board and committees) • Individual miners of the PPO • Workers hired by a PPO • Responsible person(s) for ICS • Worker's Representatives (if applicable)
<p>Small Scale Mining Organisations (SSMO)</p>	<ul style="list-style-type: none"> • Management of the SSMO • Workers of the SSMO
<p>Processing at ASMO level</p>	<ul style="list-style-type: none"> • Domestic Processing Facilities (mills, amalgamation and melting) in the area of ASMO (applies to all type of mining) • Industrial processing (mineral stores, mills, amalgamation, cyanidation, absorption/ desorption).

**Processor,
Exporter, Importer,
Manufacturer,
Conveyor**

- Facility Management
- Purchase Management/responsible
- Processing/Manufacturing responsible
- Sales Management/responsible
- Accounting Clerk
- Workers in processing installation and storage
- Quality Manager
- Fairtrade Officer/Fairtrade contact person
- Product Managers

Interviews in general serve two purposes:

- a. fact finding
- b. cross checking (confirmation of findings written – verbal, verbal – verbal)

Interviews are an important means to verify compliance with the Fairtrade Standards, for both producers and traders.

Especially when interviewing members and workers, either in a group or individually it is important to build trust and create a comfortable situation which is not too formal for the local context and thus could be intimidating.

There are three different types of interviews conducted,

1. Focused group discussion

A certain group of members or workers are interviewed regarding specific topics relevant to the group. The advantage of a focused group discussion is that it might help the interviewees to form their own opinion when listening to the opinions of others in a small and safe group setting. A focused group discussion should be in an accepting environment that puts participants at ease.

The auditor organizes the focused group discussions in different compositions: mixed gender, male and female to ensure that female workers are also interviewed separately. A recommended group size would be up to a maximum of 25 interviewees.

2. Semi-structured interviews

A semi-structured interview is an interview which is open, allowing new ideas to be brought up during the interview as a result of what the interviewee says. Furthermore it is no rigorous set of questions which does not allow one to divert. The auditor uses the framework of the checklist to be followed and adjusts the sequence and the detailed selection of questions as well as the length of the interview to the situation onsite (or eventually offsite). Despite the fact that there is no rigorous set of questions, it is still crucial to cross-check information with several parties and not to rely on the word of one person only.

The auditor needs to take into consideration the importance of confidentiality for the specific questions and will select the circumstances of the interview consequently e.g. questions on compliance of salaries and overtime need to be made in a way that management will not be able to identify the source of the information except the interviewee demands for this.

3. Circumstantial interviews

Furthermore the auditor will also use circumstantial encounters either with groups or with individuals for short chats e.g. during a physical inspection of a facility to gain additional information. This is regarded as an interview as well and can be very useful to spot-check and reconfirm specific issues raised previously.

All types of interviews are conducted with consideration being given to diversity and gender.

The duration of interviews depends on the specific situation but it is recommended that individual interviews last between 10 and 30 minutes and group interviews between 30 and 45 minutes. Circumstantial interviews will normally not take more than 5-10 minutes.

In case translation is required the time for the interviews might be extended. The same applies for the case of contradictory findings or critical information revealed.

The sample numbers below are the minimum of interview partners to be talked to during initial and renewal audits, sample numbers for other audit types are flexible (opening and closing meeting do not count as interview).

The number of interviews is based on the number of workers hired **at the moment of the audit**.

The auditor is always free to choose more interview partners. In case the minimum participation cannot be reached, reasons for that have to be explained in the Auditor Webportal/Start tab/Deviation from Audit procedure/ToR.

Interviews on the trader level are in most cases individual interviews that mainly serve the purpose of cross checking information received during document and data control.

3.1.1.1 Number of member interviews – 1st Grade Producer Organisation

The following number of members of a small producer organisation should be interviewed to have a representative sample:

Total number of members of the organisation	
< 50	Minimum 10 members
50 - 100	Minimum 15 members
101 – 250	Minimum 20 members
251 – 500	Minimum 25 members
501 – 1000	Minimum 30 members
> 1000	Minimum 40 members

3.1.1.2 Number of worker interviews – 1st Grade Producer Organisation

In case small producer organisations own a processing plant where workers are hired and/or employ workers at the administrative or technical department, these workers should be interviewed to verify labour conditions. If the organisation hires more than 20 workers, additional and more detailed information about workers' rights and working conditions have to be verified according to applicable compliance criteria. The following number of workers of a small producer organisation should be interviewed to have a representative sample:

Total number of workers hired by the organisation	
0-10	Minimum 5 workers
10-20	Minimum 8 workers
20-50	Minimum 10 workers
> 50	Minimum 15 workers

Worker interviews on the member level should be conducted on the individual farms sampled. If possible workers should be interviewed on all farms visited.

3.1.1.3 Number of member interviews – 2nd/3rd Grade Producer Organisation

In the central structure, interviews must be conducted with members of the board, committees and management of the 2nd/3rd grade organisation.

Additionally to the central structure a certain number of 1st grade organisations are sampled as part of a 2nd/3rd grade audit (see section 3.1.3). The following number of members of each audited member organisation should be interviewed to have a representative sample:

Total number of individual members of the affiliated organisation	
< 50	Minimum 6 members
50 - 100	Minimum 8 members
101 – 250	Minimum 10 members
251 – 500	Minimum 12 members
501 – 1000	Minimum 15 members
> 1000	Minimum 20 members

3.1.1.4 Number of worker interviews – 2nd/3rd Grade Producer Organisation

In case the organisation owns a processing plant at a central level where workers are hired and/or employs workers at the administrative or technical department, these workers should be interviewed to verify labour conditions. If the organisation hires more than 20 workers, additional and more detailed information about worker rights and working conditions have to be verified according to applicable compliance criteria. The following number of workers of a small producer organisation should be interviewed to have a representative sample:

Total number of workers hired by the organisation	
0-10	Minimum 5 workers
10-20	Minimum 8 workers
20-50	Minimum 10 workers
> 50	Minimum 15 workers

In case the affiliated member organisations employ workers, the interview sample should follow the same logic as described in 4.1.1.2 for the audited 1st grade organisation. Worker interviews on the individual member level should be conducted on the single farms sampled (see section 4.1.2). If possible workers should be interviewed on all farms visited.

3.1.1.5 Number of interviews – Contract Production Project

At the promoting body, interviews must be conducted with management of the promoting body. The following number of individual members of the contract production project and workers hired by the contract production project should be interviewed to have a representative sample:

Total number of members and workers hired by the organisation	
< 50	Minimum 10 members/workers
50-100	Minimum 15 members/workers
101-500	Minimum 20 members/workers
501-1000	Minimum 25 members/workers
> 1000	Minimum 30 members/workers

3.1.1.6 Number of interviews – Single Plantation and Multi Estate (hired labour)

Management must be interviewed on all levels. The following number of workers hired by the company should be interviewed to have a representative sample:

Total number of workers hired by the company	
< 50	Minimum 10 workers
50-100	Minimum 15 workers
101-500	Minimum 20 workers
501-1000	Minimum 25 workers
> 1000	Minimum 30 workers

The interviews should be conducted on all estates visited.

3.1.1.7 Number of interviews – ASMO/PPO

Management must be interviewed on all levels. Furthermore the following number of miners must be interviewed to have a representative sample. All miners are registered by the ASMO. Registered miners refer to members of the organization, self-employed miners within the scope of the ASMO and workers hired by members, self-employed miners and the organisation.

Total Number of miners (active members of the ASMO, production partners and workers of members, production partners, workers of the ASMO or workers of a processing facility hold by members of the ASMO)	
< 25	> 90 % of all miners
26 – 500	Minimum 25 miners
500 – 2000	Minimum 5 % of all miners
> 2000	Maximum 100 miners

3.1.1.7.1 Domestic Processing Installations under the umbrella of an ASMO

The auditor is requested to physically audit domestic processing installations owned by miners, by their families or by third parties who are operating in the mining area of the ASMO. A group interview should be carried out with all persons working in a domestic processing plant and individual interviews if necessary.

Total number of domestic processing plants	
< 25	> 90 % of all processing plants
26 – 100	Minimum 20 processing plants
>200	Minimum 5 % of all processing plants

3.1.1.7.2 Small Scale Mining Organisations (Hired Labour situations) that receive stand-alone audits

Total number of workers hired by the organisation	
< 25	> 90 % of all workers
26 – 500	Minimum 25 workers
500 – 2000	Minimum 5 % of all workers
> 2000	Maximum 100 workers

3.1.1.8 Number of interviews – Trade organisation

Management must be interviewed on all levels. To the extent that the functional areas/positions exist, interviews must be conducted with staff working/responsible for purchase, storage, transportation, sales, packaging and dispatch. Furthermore, workers should be interviewed about the production/manufacturing flow of products.

3.1.2 Sample size of farms during a 1st Grade Producer Organisation or Contract Production Audit

The auditor is requested to physically audit a certain number of member farms to be able to see cultivation practices and to talk to farmers individually. This is the minimum number to be visited:

Total number of members of the organisation	
< 50	Minimum 2 farms
50 - 100	Minimum 5 farms
101 – 250	Minimum 5 farms
251 – 500	Minimum 5 farms
501 – 1000	Minimum 10 farms
> 1000	Minimum 10 farms

The auditor is always free to choose more farms visits in the allocated audit time.

3.1.3 Sample size of affiliates and estates

3.1.3.1 Sample size on 2nd/3rd grade producer organisations

The central structure of the 2nd/3rd grade organisation is always part of the audit scope. The auditor is requested to verify information obtained at the central structure at a representative number of affiliated member organisations:

Sampling for 2nd grade producer organisations:

- At a minimum, all or 3 member organisations (whichever is lesser) are audited in the first year (initial certification).
- The exact number of samples in all other audits is calculated using the square root of the total number of member organisations part of the Fairtrade Certification.
 - At a minimum the sample is comprised of 2 member organisations
 - At a maximum the sample is comprised of 10 member organisations

For 3rd grade organisations, the sampling follows the same methodology but FLOCERT will define for each specific case at which level this sampling rule applies:

- central structure on the level of the third grade and second grade level affiliates **or**
- central structure on the level of the third grade plus first grade affiliates **or**
- central structure on the level of the third grade and a combination of second and first grade affiliates.

3.1.3.2 Sample size during a Major Structure audit (Gold Mining)

The central structure is always part of the audit scope. The auditor is requested to verify information obtained at the central structure at a representative number of affiliated ASMOs:

- At a minimum, all or 3 ASMOs (whichever is lesser) are audited in the first year (initial certification).
- The exact number of samples in all other audits is calculated using the square root of the total number of ASMOs part of the Fairtrade Certification.
 - At a minimum the sample is comprised of 1 ASMO within the scope of the Major Structure

- At a maximum the sample is comprised of 20 ASMOs

3.1.3.3 Sample Size on a Multi Estate audit

The central estate of the Multi estate is always part of the audit scope. The auditor is requested to verify information obtained at the central structure at a representative number of affiliated estates part of the Fairtrade certification:

- All affiliated estates are audited in the first year (initial certification)
- All estates should be audited within the 3-year cycle
- To reduce the risk of not checking compliance at an SE in 3 years, follow-up audits are recommended to verify compliance where an increased risk is perceived (e.g. repeat non-conformities, deceiving OE documents previously provided, external factors such as news of strike etc.) As a risk mitigation measure it should be considered to carry out unannounced audits at multi estates that have been identified as high risk

3.1.3.4 Sample size for SPO with members hiring a significant number of workers

From the members of the organization hiring a significant number of workers at least one needs to be selected in each audit during the field visits for the verification on working conditions

3.1.4 Sample Checking for the Verification of Mass Balance

Any reconciliation of the mass balance of the Fairtrade product has the aim that not more products are sold than produced and/or bought. If the organisation produces/trades more than one product, the auditor is requested to select the products with the highest volume and the highest value. The selected timeslots must include high peak trading or harvesting times.

3.1.5 Number of Samples on Processing Installations (only Producer Level)

The auditor is requested to physically audit processing installations owned by the organisation/company in order to control the working conditions. To draw a representative number of samples, the auditor is requested to assess

- All processing installations in the first year (initial certification). In a second grade this applies to all installations at the level of the central structure and at the level of first grade organizations.
- All processing installations within the corresponding certification cycle.

3.1.6 Exporting Business (only Producer Level)

If the operator runs an exporting business for themselves, the activities are always part of the audit scope.

In cases where producer organisations or companies export for other Fairtrade organisations, the auditor is requested to control that the operator is in compliance with trade certification requirements.

3.1.7 Sample Checking of Trading Information (only Trade Level)

The auditor is requested to cross check or sample check certain trade information of the operator during an audit. Minimum levels are as follows:

Kind of Information	Sample
Original Contracts, Shipment documents & Delivery Notes	One sample per buyer and seller At a minimum, one of each per trade chain At a maximum 12 of each
Purchase invoices & Payments	One sample per buyer and seller At a minimum, one per trade chain At a maximum 12 payments

Sales documentation including invoices	One sample per buyer and seller At a minimum, one per trade chain At a maximum 10 invoices As an alternative it is also possible to monitor the process of invoicing in the ERP system of the customer
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In case of a Trader Corporate Certification audit, the number of samples has to be taken for the master operator and every associate individually.

3.1.8 Number of Products

All products under Fairtrade certification are always part of the audit scope for producers and traders.

3.2 Documentation of Visited Entities

The auditor is requested to document what was inspected during the audit in order to ensure a balanced sampling throughout the certification cycle. The below table shows the documentation requirements for all organizational setups:

Type of organization	Visited part(s) of the organization	To be documented in
Trader	All facilities belonging to the company relevant to be audited	Closing Report
Trader	Additional entity	Closing Report Ecert Tab preparation/additional entities
1st grade producer organization	Visited member farms	Audit Annex "Member List"
1st grade producer organization	Additional entity	Closing Report Ecert Tab preparation/additional entities
2nd or 3rd grade producer organisations	Visited Affiliates	Closing Report Ecert Tab preparation/additional entities <i>Or</i> Audit Annex "Member List" (in case of large organizations)
2nd or 3rd grade producer organisations	Additional entity	Closing Report Ecert Tab preparation/additional entities
Contract Production Project	Visited member farms	Audit Annex "Member List"
Contract Production Project	Additional entity	Closing Report Ecert Tab preparation/additional entities
HL – Single Plantation	All facilities belonging to the company such as processing, warehouse or administration	Closing Report
HL – Single Plantation	Additional entity	Closing Report Ecert Tab preparation/additional entities
HL – Multi Estate	All facilities belonging to the company such as processing, warehouse or administration	Closing Report
HL – Multi Estate	Visited Affiliates	Closing Report Ecert Tab preparation/additional entities

HL – Multi Estate	Additional entity	Closing Report Ecert Tab preparation/additional entities
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3.3 Selection of Auditors and Audit Teams

3.3.1 Selection of Auditors

FLOCERT auditors should not conduct more than 3 consecutive audits for the same customer.

- Gap analysis in this context will be counted as an audit and therefore the number of consecutive visits by the same person(s) is still limited to 3 times.

A follow up audit per definition is limited to the verification of non-conformities identified during the regular audit and as such to be seen as part of the regular audit; i.e. it should not count for the rule on 3 consecutive audits.

The documentation of skipped audits called “No audit scheduled” registered on the name of an analyst cannot be counted as an audit.

However, this can be allowed if he/she is the only auditor in a region or has the specific knowledge for the region such as language, legal restriction or other social, cultural or technical knowledge. It could also be permitted if due to clustering it is more efficient to use the same auditor) and if auditor’s evaluations show solid good performance. The reasons for doing more than 3 consecutive audits will be documented.

- It is also advised that the same auditor should do consecutive audits as thus the knowledge of the organization will deepen. Especially in the case of an unannounced audit it is advantageous if the auditor knows the organization from before.

3.3.2 Audit Teams

The number of audit days set out in the CERT AuditTime WI is based on the assumption that the audit is conducted by one auditor, which will be the case in the majority of audits.

A team of two auditors is sent in cases of

- Mid to large structures (2nd and 3rd grade organisations, contract production projects and multi estates)
- Large 1st grade organisations and plantations
- Traders with large volumes of annual purchases or complex trade structures
- Possibly conflict situations

The interviews/visits of the affiliated member organisations/estates can then be conducted in parallel. Another recommendation is to combine specific auditors expertise and experience (e.g. environmental and trade experience).

4 Relevance of Organic or other certifications

The fact the organisation holds a valid organic certificate of an accredited organic certifier or any other certificate for the entire organisation has no influence on the audit time and scope or on the rationale of the audit. However, information from audits such as organic may be used for cross-checking of findings during the audit.

5 References

- CERT Certification SOP
- CERT Audit Preparation Letter
- Public Compliance Criteria Lists
- TC FeeSys ED
- CERT AuditTime WI