

INFORMATION SHEET



Setting up an Internal Control System

The following is a brief guide to the likely steps that will be required to set up an Internal Control System (ICS) for the certification of a grower group to sell product as certified organic. Whilst attempting to provide a generic description of the steps needed, it may not entirely match your needs. However, all of parts A and B will be necessary in some form

A. OFFICE WORK TO SET UP THE SYSTEM

1. Organise sufficient staff and get the growers on your lists sorted out into groups, which should be family or village based.
2. Translate the concise organic standards into a language easily understood by the growers, and prepare other material to explain the organic standards for those who cannot read.
3. Prepare a contract in a language and a form that is easily understood by the growers. This can be quite simple, and no more than one page. Some grower groups have a common language on one side and English on the other. You may choose to have the official language of your country on one side, but it is certainly not a requirement. The contract needs to say that the grower has received a copy of the organic standards and understands them, and agrees to keep to them in all practices.
Also there needs to be a clause that says that if the grower breaks the rules then they will not be able to sell their produce as organic, and that if they deliberately apply prohibited substances, it will be at least three years before they can sell as organic again.
4. Prepare an inspection checklist, so that when the farmers are visited, a record of their compliance can be recorded.
5. A database will need to be set up to record field visits, and other details such as size of gardens, types of crops, numbers of trees, amount harvested etc. The full details are supplied on the form "Grower Group List Format", included with the information supplied to you with the questionnaire.

ACO can assist you with any of the things listed above. Please do not hesitate to contact if you think that we can help to get things moving quicker.

Once you have the system organised in the office, it will be necessary to begin the field visits.

B. FIELD WORK TO SET UP THE SYSTEM

1. Train field staff in the procedures for meeting, explaining and contracting the growers.
2. Organise meetings of growers in their groups so that the principles and practices of organic certification can be explained. Contracts could be signed at this meeting. Visits to farms could either be organised to coincide with this meeting, or they could take place later.
3. Make at least one inspection visit on every grower that you have listed and contracted. If this does not happen at the initial meeting listed above, it needs to occur before harvest. At this inspection visit, the checklist must be completed, and any non-compliances with organic standards recorded. This inspection visit must be more than a visit for extension work purposes, and must address organic growing in particular.

C. OTHER PARTS OF THE SYSTEM THAT WILL BE NEEDED

Getting the produce from the growers to the processing plant must also be documented. If growers do not bring their own produce to the processing plant, in some grower groups, the processing company, such as Your Company, would go and pick up the produce in its own vehicles.

Your Company may opt to use its own vehicle(s) to purchase and transport certified organic produce from the growing regions to the processing plant. This would enable better control of purchases and ensure less likelihood of non-certified produce entering the certified stream. Company staff may perhaps be easier to train and may be more loyal to the needs of Your Company.

If Your Company uses agents or buyers to bring in the organic produce, they need to be included as part of the grower group system. The agents or buyers will need to be licensed or registered and to be trained to record the numbers of the growers from whom they buy organic produce.

Your Company itself should contract certain buyers, and only use those to bring in the organic produce. Buyers should be used only if they sign a contract to record all purchases on a sheet, with grower's name, grower registration number, amount of organic produce purchased and date of purchase. Bags would need to be marked at pick-up with at least the grower name and registration number and 'Organic'. Mixed loads would not be allowed, unless clear separation and identification was practised.

However this is organised, Your Company cannot allow produce to be used as certified organic without adequate records. This may mean that buyers will have to implement the recording system before they can be used for carrying organic produce from the grower to the processor. ACO requires that a standard recording form is developed that will be used by all buyers carrying certified organic produce. Training will then be easier and everyone will know what is required.

D. THE INTERNAL CONTROL SYSTEM FLOWCHART

One part of the documentation ACO requires you to submit is a flow-chart of your Internal Control System. You will note that there is one on the following page as an example of what is required. However, you may use any format that will convey the information schematically, and a hand drawn flow-chart in ink will be quite acceptable. You are not required to incorporate ACO's actions in the flow-chart submitted with your questionnaire. They have been included in the example to demonstrate how organic certification by ACO will interact with your system. The shaded boxes and solid arrows indicate those actions that you will need to take.

E. THE ICS MANUAL

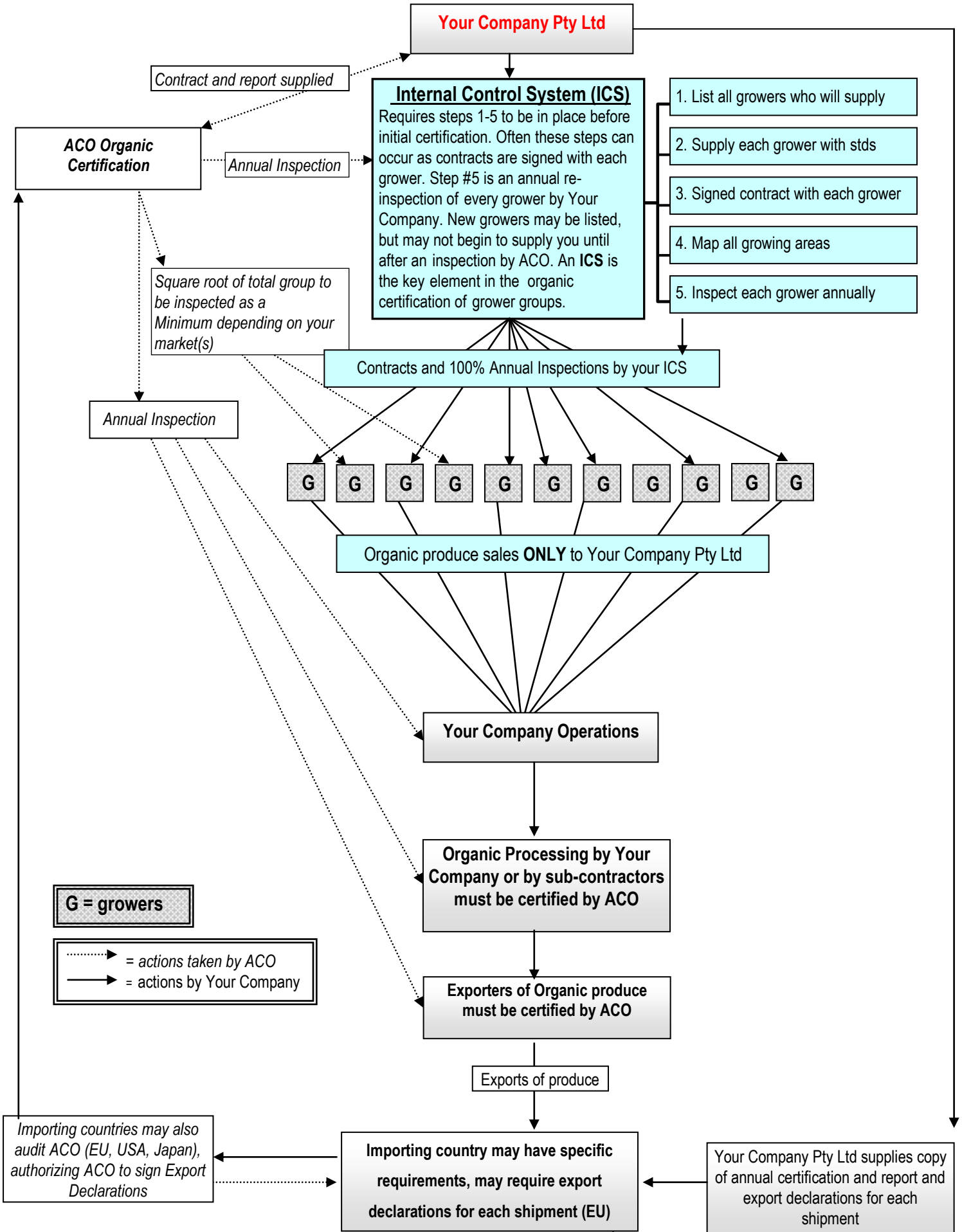
When the system has been developed, and before the ACO Inspection, the various components of the Internal Control System should be documented in an ICS Manual. This is simply a list of the procedures that have been put in place, including who has responsibility to make sure that each procedure is properly carried out. Examples of the documents and record sheets used would also be kept in the ICS Manual. The inspector will then be able to understand your system more easily, and any suggested changes will be easier to implement. Any changes to your practices should be reflected by updating the ICS Manual.

F. SUMMARY

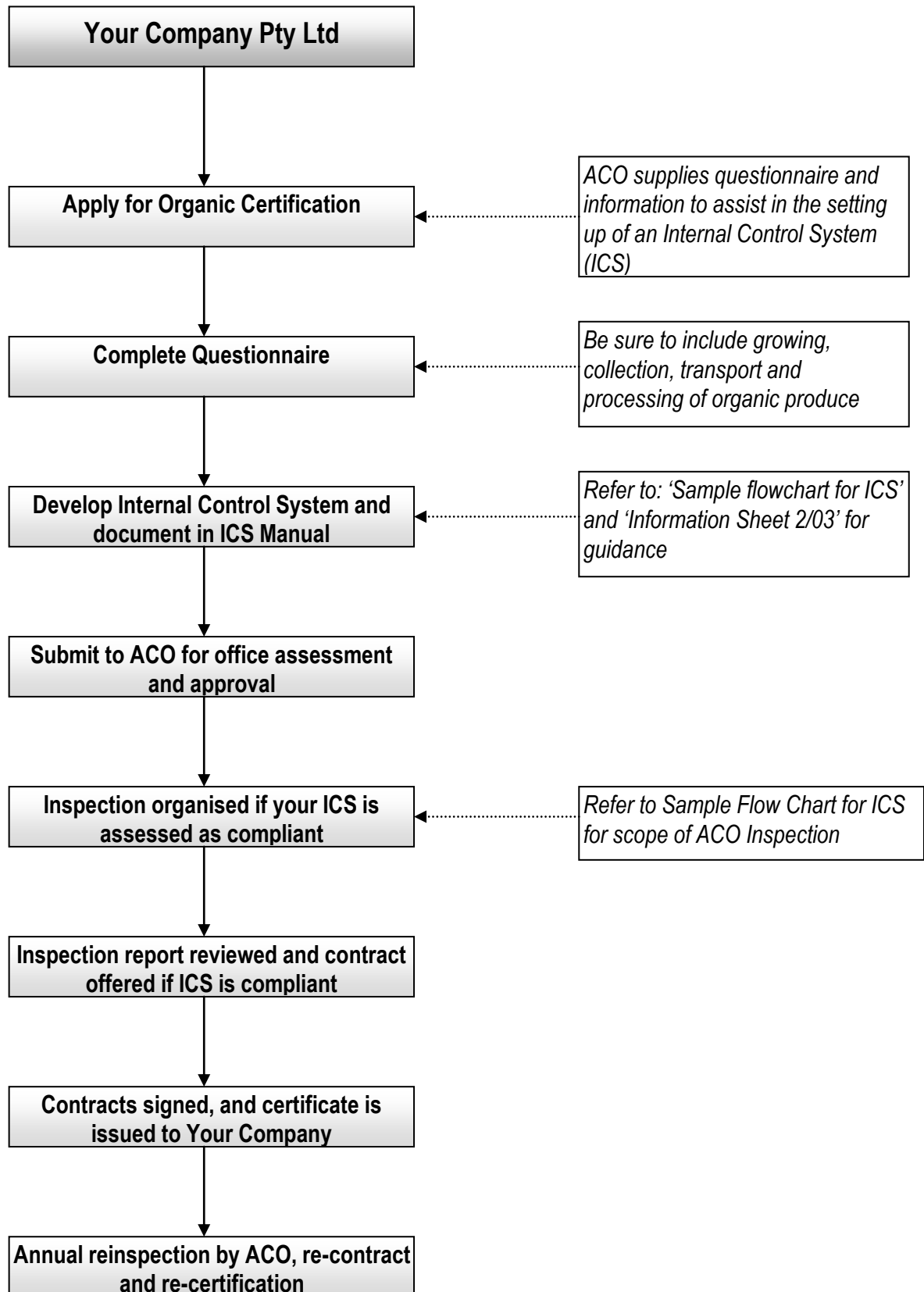
These are the main things to do to get the Internal Control System set up. Once the system that is described in section A is ready, it will be advisable to make sure that the staff who will do the work are trained in why they are doing it and what they will be doing and how they should perform the tasks involved. You will know the situation in your area of operation better than ACO, but meeting all growers, inspecting gardens and getting contracts signed might take some months. To complete the task before inspection will mean that developing the Internal Control System is the major priority.

ACO is happy to assist you to achieve that goal in any way possible. Do not hesitate to ask for advice or direction if you do not know how to go forward with any of these requirements.

GROWER GROUP INTERNAL CONTROL SYSTEM – SAMPLE FLOW-CHART



FLOWCHART FOR APPLICANTS FOR ACO SPECIAL PROJECT



Land Management Form

http://aco.net.au/wp-content/uploads/2015/04/220-18_Land-management-form_v2.xlsx

The Grower Group Land Management Form is an example of the type of permanent record required for recording Grower Group membership and production. Your list may include more information if you wish to record other details. However the example linked above should be regarded as a minimum for the purposes of Organic certification.

Please remember that an identification number allocated to a grower cannot be re-allocated to another grower if the original grower leaves the group. Numbers may be passed on to other family members if they relate to the same plots or gardens. For instance, a son or daughter may take over the operation of the family garden, and retain the same Identifying number as the father, but in most cases, a new number must be allocated to a new grower.

As part of ACO's inspection process will be to verify the average yields for each land unit or harvested tree, for produce such as coffee and other permanent crops, the number of trees on each grower's area is required in addition to the land area.

Because annual yields of each crop need to be recorded, if farmers produce more than one cash crop, the Harvest Yield Record per year column at the right will need to be repeated for each crop, or a farmer will need a separate line on the record for each crop produced.

Annual Inspection

Grower groups will be inspected by auditors assigned by Australian Certified Organic at least once a year. In situations of "normal" risk, the number of inspected growers must not be lower than the square root of the total number of growers in the group; for "moderate" risk and "high" risk situations, the minimum number of inspected growers must be 1.2 and 1.4 times the square root respectively. Within the set selected, the highest risk members shall be identified and inspected, and at least 25% of the set will be selected at random. Based on details provided in the land management form, inspection will focus on those growers that have not been audited before by ACO, including any new growers, growers that have used prohibited inputs in the past, or those that are located near conventional farms (as per maps provided).

The annual inspection will also need to include an evaluation of a grower training session, an ACO inspector will evaluate the training completed by the ICS. This can be a training the ICS has organized for a group of growers e.g. within one village. The Australian Certified Organic Standard requires growers receive ongoing training to assist them understand and comply with the relevant organic standards. Topics may include but not limited to allowed inputs, how to organically manage certain weeds/pests, best harvesting methods, managing risks of neighboring operations etc. The ACO inspector will evaluate the training based on the following criteria – Grower Participation, Training content, Quality of Instruction, Training effectiveness, Summary.