



## 4C System Update 14

19 September 2022

### Clarification on Addendum Audits and possibility of combining Addendum and Surveillance Audit

1. Clarification on Addendum Audit
2. Clarification on combining Addendum and Surveillance Audit

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#### 1. Clarification on Addendum Audit

##### When is the Addendum required?

As laid down in the 4C System Regulations Chapter 6.1. on audit types, an addendum audit is required if **one** of the following conditions apply:

- One or more new BP Services Providers are added to the 4C Unit.

OR

- New facilities or functions of already existing BP Service Providers in the 4C Unit are added (e.g. new wet or dry mill, and/or new warehouse facilities or locations).

OR

- The turnover rate of BP Producers is above 10 % per year

The turnover rate is the rounded ratio based on the following formula, always in comparison with the last validated BPM:

$$\text{turnover\_rate} = \frac{\text{producer}_{\text{included}}}{\text{producer}_{\text{previous}} - \text{producer}_{\text{excluded}}}$$

*producer<sub>included</sub>* refers to all new BP Producers added to the 4C Unit since the last validated BPM and to existing BP Producers having new farm(s)/plot(s). Family members taking over a coffee plot that has already been part of the 4C Unit before but managed by another member of the family are also considered as new BP Producer.

*producer<sub>previous</sub>* refers to all BP Producer that were listed in the last validated BPM.

*producer<sub>excluded</sub>* refers to all BP Producers that are no longer part of the 4C Unit compared to the last validated BPM (regardless of the reason why they are no longer part of the Unit).

*Example: When a BP producer passes away, he/she counts as “producer excluded” and even if the farm is then managed by another family member, this person counts as “producer included”.*




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#### 4C Tools supporting the Turnover Rate Calculation:

- Automatic analysis tool of BPM, available in the 4C portal [here](#): when you upload the BPM in the 4C portal, there is a section “**Contextual analysis**” analyzing the new BPs (as defined above) vs requirements for an Addendum. This section will be highlighted with “error”, and a remark “**Addendum required**” in case an addendum is required according to the automatic analysis.
- **Producer turnover rate calculator**, an excel tool, available in the 4C Portal/ Documents & Templates to manually calculate the turnover rate of the BP Producers.

Additional Tools	
Name of Document	Languages
Producer turnover rate calculator	 English

Before using any tools, the CB and auditors are always required to check the **correctness** of data provided in the BPM (as laid down in Chapter 5.2.1 in the 4C System Regulations).

#### What is the Audit Scope of the Addendum:

##### 4C Criteria

- The addendum audit is a full audit, therefore all checkpoints must be verified for all BPs sampled.
- AND
- All IMS related checkpoints must be audited at the ME level.

##### Subject of an Addendum

When the addendum audit is required, all new BPs (Service Provider and Producer) will be subject for the addendum audit, regardless of the turnover rate of BP Producers.

*Example: A 4C Unit decides to add one new BP Service Provider and some new BP Producers. After calculating the turnover rate for the BP Producers, the Unit realizes it is less than 10%. The addendum audit is required due to the new BP Service Provider added. However, since the addendum audit is required, the audit must be planned and conducted for both groups of BPs, meaning the new BP Service Provider and the new BP Producers.*

##### Risk Assessment and Sample Size Calculation

All requirements on risk assessment and sample calculation as laid down in Chapter 7 of the 4C System Regulations must be followed but apply only for the new BPs.





- For new BP Producers added: the GRAS tool must be applied to the new BP Producers, including GRAS report, GRAS index, and GRAS risk level. The final risk level must be defined based on the GRAS risk level and the analysis of additional risk indicators.
- For new BP Service Providers added: the final risk level is defined based on the analysis of additional risk indicators.
- The minimum sample size is calculated separately for new BP Producers and new BP Service Providers, according to Chapter 7.4 of the 4C System regulations.

## **2. Clarification on combining Addendum and Surveillance Audit**

System Update 9, issued on 4<sup>th</sup> March 2021, stated the possibility of merging different audits and gave an example on how to combine a surveillance and addendum audit (“Example 2”). According to this, one audit checklist and one BPM can be uploaded for both audits. Because of the different requirements on risk analysis, sample size, sample selection and audit scope for these two types of audits, this resulted in unclarities and doubts among system users and CBs. Therefore, 4C improves the process as following:

- Surveillance and addendum audit can still be conducted at the same time.
- It is necessary to register the two audits in two separate processes in parallel in the 4C portal, one for the surveillance audit and one for the addendum audit.
- For each audit type a separate audit checklist must be used to record audit results and needs to be uploaded to the respective certification process on the 4C Portal, following the respective requirements of the specific type of audit.
- In case of the addendum audit, the GRAS report for the new BP Producers (in case new BP Producers were added) is mandatory.
- The uploaded BPMs for the two audits should be the same in terms of the BPs listed, including new BPs. It only needs to be differentiated by the column “CB only – Visited (x)”, where the auditors mark which BPs they have visited/audited for the respective audit.
- The uploaded IPs for the two audits should be the same and the Managing Entity must amend the existing IP with the NCs detected in both audits and propose the respective improvement measures, in compliance with the IP amendment after each audit as described in the 4C System Regulations, Chapter 4.3.3.

