



SIZA AUDIT FREQUENCY MATRIX

October 2018

Overview

The SIZA programme aims to build into the scheme robust assurances of the management of risk in respect of the supply base in the South African fruit industry. The programme subscribes to the following which can be used to mitigate and manage risk:

- Visibility of a supplier
- Transparency - the supplier must be willing to share information on compliance status
- Commitment to improve – the supplier must demonstrate a commitment to improve compliance levels and continually provide information that supports this.

The programme subscribes to being improvement-led rather than audit-led and uses the SIZA Audit frequency matrix to support this position. It creates four categories of risk, Platinum, Gold, Silver, and Bronze where Platinum category has the most stringent qualifying criteria. A SIZA member will be rated according to these risk categories and can earn the right to move to a higher category where the reward for this is a less frequent audit. However, it also builds into the system a range of tools beyond the audit that if used in combination rather than isolation, will provide more extensive cover and management of risk between audits making the programme more robust. For example, the programme will involve various verification activities such as site visits and desk-top assessments that will take place between audits. A percentage of these verification activities will focus specifically on sites that fall into the Platinum category providing an additional safety net. In addition, all sites will be required to up-date and renew their SAQ on an annual basis, part of which will include up-dating the improvement plan. This will be monitored on the SIZA data platform by the Audit Body and SIZA Audit Oversight. Therefore while the auditing may not be happening annually or every two years for the Platinum category members, the measurement of compliance between the audits remains robust and in place.

The SIZA programme has identified various activities and actions that will be in place in order to mitigate and manage risk. While the third party audit is an important component of this, it is the activities between audits that will support sustainable improvement. These are as follow:

1. Awareness-raising

An informed supply base helps to manage risk through suppliers being made more aware of potential risks and means of mitigating this. Awareness- raising activities should be in place and ongoing. Participation in these activities can be measured and included in a suppliers' risk-rating.

Tools

SIZA programme roll out workshops; DVD's; Supplier 'ethical programme' toolkit; SIZA Capacity-building and support programmes; Publications, such as the Ethical Trade Handbook, Accommodation Guide; Workplace Communication Toolkit; Training, etc.

2. Assessment (Measurement of risk)

Tools

- Annual Self-assessment which will be managed by the SIZA Data platform. Results of the SAQ will be measured against third party audits to ensure accuracy of the SAQ. Significant discrepancy between the information contained on the SAQ and the findings made during the audit will be taken into consideration when determining overall risk rating for the site which could, in turn, affect the audit frequency. Corrective actions identified by a supplier to correct non-compliances reflected in the SAQ will be monitored in the same way as corrective actions in a third party audit.
- 3rd Party Audit by recognised independent audit bodies where audit reports will be uploaded onto the data platform will provide visibility and transparency to retailers, exporters, importers and the industry.
- Verification assessment
 - Desk top – these will be conducted random via the SIZA data platform
 - Site visits (conducted on the square root of the number of farms audited every year (for e.g. if there have been 400 audits, there will be 20 verification assessments as follows: 25% from each Risk Category)

3. Follow up action

There are various tools that enable appropriate responses to the risk:

- Corrective action plan (CAP) reports – the Data platform will monitor progress in the completion of corrective actions (linked to issues raised in a SAQ or 3rd party audit) and include notifications of failure to complete corrective actions within agreed time frames. Each supplier will have a complete history of performance so improvement can be tracked. Failure to respond to notifications could lead to consequences such as a follow up audit, increased audit frequency, suspension or SIZA membership cancellation. SIZA Audit Confirmation Letters will not be issued if corrective actions are not submitted and approved by the auditor.

- Audit Confirmation Letters – It will be issued once the audit is in completed status on the SIZA platform. This will be the proof to the member that the audit was conducted and that all corrective actions were reviewed and approved, thus making the audit complete. The Audit Confirmation Letter will specify the timeframe that the letter is valid.
- Improvement Plans – Improvement Plans and commitments in relation to this will be monitored on the data platform as with CAP reports and enable a tracking of improvement. Employment sites can show ‘improvement’ on the data platform through updating their Improvement Plans annually.
- CAP Extension – Auditors must review and approve corrective actions uploaded to the SIZA platform, even if it was done so post-deadline. Members can request for an extension on the CAP if a valid reason can be provided. SIZA will approve these deadlines with discretion.
- Alert notifications – These will be sent to the SIZA programme and relevant buyers where critical issues are identified on an employment site.
- Participation in activities classified as “improvement” activities which can be included on an Improvement plan, for example, specific skills training programmes that are designed to improve worker welfare in the workplace can be monitored and used to measure improvement.
- Complaints mechanism - a formal mechanism is in place to receive complaints from members and non-members and deal with these in an appropriate way. SIZA may send an independent third party auditor/consultant to investigate employment sites where complaints have been received.

Audit Frequency Matrix

Note: The Categorization of Non-compliances referred to in the Audit Frequency Chart is based on the SIZA Audit Process and Methodology document which used the GSCP categorization.

Risk Category	Critical	Major	Minor	Action Required	Next Full audit
Bronze	1 or more	And/or >5	And/or >30	Submission of corrective actions within timescales agreed during audit; and/or follow up visit during months 0 - 6	Full audit 0 – 12 months from date of original audit. If NC's not complete as per CAP time frames no confirmation letter will be issued.
Silver	0	3 - 5	And/or 21 - 30	Submission of corrective actions within timescales agreed during audit; and / or follow up PARTIAL audit (using desk top evidence submitted or visit to farm to check corrective actions during months 0 – 6)	If Non-compliances complete in giving timeframe – full audit 2 years from date of original audit. If NC's not complete as per CAP time frames – full audit at the start of the next season, but no more than 12 months from date of original audit and no confirmation letter will be issued.
Gold	0	1 - 2	11 - 20	Submission of corrective actions within timescales agreed during audit; and / or follow up PARTIAL audit (using desk top evidence submitted or visit to farm to check corrective actions as per the agreed timeframes during the audit)	If Non-compliances complete in giving timeframe – full audit 2 years from date of original audit. If NC's not completed as per CAP time frames – full audit at start of next season but no more than 12 months from date of original audit no confirmation letter will be issued.
Platinum	0	0	0 - 10	Submission of corrective actions within timescales agreed during audit; and/or follow up PARTIAL audit (using desk top evidence submitted or visit to farm to check corrective actions as per the agreed timeframes during the audit)	If NC's complete – full audit 3 years from date of original audit. If NC's not completed as per CAP time frames – full audit at start of next season but no more than 12 months from date of original audit and no confirmation letter will be issued.

- *Take note that if the non-compliances include a long term corrective action (re living conditions etc.) which cannot be conclude and upload in the given period to obtain a SIZA Confirmation Letter, a Development-/Improvement Plan with timeframes has to be completed and uploaded. When the plan is uploaded and signed off by the auditor, a Confirmation Letter can be issued, but SIZA will not accept any open corrective actions. Although observations do not normally generate into CA's it must also be signed off by the auditor before Audit Confirmation Letters will be available.*