



AUDIT OVERSIGHT
Monitoring & Evaluation Policy

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1. INTRODUCTION

SIZA strives to ensure continuous improvement amongst agri-businesses, allowing for economic growth, social responsibility, and environmental stewardship throughout the supply chain. This goal is achieved by ensuring reliability, ethicality, and consistency amongst the SIZA approved third-party audit entities. This continued drive is to ensure credible data is produced to global buyers and stakeholders, confirming that requirements are being met, and to showcase compliance on various levels within the supply-chain. It is important to maintain this drive toward continuous improvement among audit entities as well, allowing for a calibrated approach and methodology that benefits both the audit requestor, auditor, and buyer.

This policy is aimed at providing a guideline to ensure that transparent principles are provided as to what the SIZA audit oversight and monitoring policy entails.

2. PURPOSE

The purpose of the SIZA Audit Oversight Monitoring & Evaluation Policy is to describe the rationale and process for the recognition and calibration of audit entities and auditors to ensure quality, competency, and compliance are maintained throughout the process.

3. OBJECTIVES

The objective of the monitoring and evaluation policy is not only to manage risks and to provide assurance to SIZA, but also to ensure that risks to auditors and buyers are as low as possible. SIZA will provide assistance and support to audit entities and auditors which will equip auditors to:

- Understand the monitoring methodology as specified by SIZA
- Apply the principles and processes of the SIZA standards and methodology
- Understand applicable national legislation and market requirements
- Understand the SIZA code and guidelines of good practice
- Report accurately and clearly on auditing processes and findings
- Ensure quality, compliance and the integrity of audit data throughout the audit processes
- Understand the steps that producers are required to take in meeting the objectives of the code
- Understand best practice recommendation and principles for the sector
- Ensure that auditors have the competency to be globally recognised and accepted
- To ensure that the SIZA brand is represented on ground level and through audit reports according to the required SIZA communication and engagement policies

4. MAINTAINING RECOGNITION AND SIZA METHODOLOGY REQUIREMENTS

4.1. Monitoring and Evaluation

4.1.1. Audit entities

All SIZA-accepted audit entities will be subject to the monitoring and evaluation principles as specified by SIZA in the Service Level Agreement, the Social (Ethical) and Environmental Audit Process and Methodologies (APMs), as well as the SIZA Audit Monitoring and Evaluation Policy. This will be monitored to ensure brand integrity and to allow audit entities to maintain adequate competency.

Audit entities must be:

- Able to demonstrate active engagement within the agricultural sector and with the SIZA programme

- Demonstrate market acceptance amongst prominent markets accepting SIZA across the globe
- Maintain acceptance and recognition with relevant regulatory bodies as specified by SIZA
- Remain actively involved in the SIZA programme and SIZA audit process
- The maintenance of audit entity profiles on *MySIZA*
- Ensuring that audit profiles are at all times paid in full, live and visible to all participants in the audit process.

SIZA will reserve the right to engage with audit managers of the audit companies in enquiring on specific audit details, disputes, member information or any related information to SIZA audits or audit (auditor acceptance). Detailed requirements of SIZA recognition and acceptance is agreed to in the Service Level Agreement (SLA) between the audit entity and SIZA. This agreement might be updated from time to time.

SIZA will require each recognised audit entity to supply proof of their internal competency and training programmes on an annual basis to ensure that all requirements are met. All audit entities will be subject to adhere to all requirements as agreed to in the Service Level Agreement (SLA) with SIZA.

The audit entity will be required to provide the following information upon request:

- The process of scheduling of audits
- Audit execution
- Audit outputs
- Details of any audit disputes raised on *MySIZA*
- Proof of internal auditor and reviewer training and procedures
- Proof of internal shadow audits and procedures for auditors
- Confidentiality and data protection measures that are in place to protect SIZA, the audit entity, and the client
- Membership and registration of any regulating body as determined by SIZA competency requirements and SLA
- Price consistency in line with SIZA Social (Ethical) and Environmental APM requirements
- Proof that a minimum of 12 continuous Social (Ethical) and/or Environmental Audits respectively were conducted per SIZA's financial year cycle.

In any event where an audit entity does not meet the requirements as set out in this policy, or the SIZA Audit Process and Methodology, the audit entity will be under review, pending an investigation from SIZA. This process may involve a temporary or permanent suspension of the audit entity from the SIZA programme until processes are reviewed again. In cases where suspension relates to any misconduct or sub-performance, it may be necessary to reapply for acceptance and recognition.

5. AUDITORS

It will remain the responsibility of all SIZA approved auditors, reviewers, and schedulers to adhere to the SIZA code of conduct, methodology, policies, and competency requirements as set out by SIZA. If additional training/experience is required, the auditor/reviewer must voice this need to the audit entity under which he/she audits and/or SIZA to allow for such training/experience to be provided. SIZA will present annual training on the requirements of the SIZA Social (Ethical) and Environmental Standards and APMs. However, providing training and knowledge on legislative requirements remains the responsibility of the audit entity.

SIZA recognised and accepted auditors must adhere to the following:

- All auditors, reviewers, and schedulers (current and prospective) must be able to demonstrate adequate experience within the agricultural sector
- Be able to demonstrate adequate training on related aspects such as labour legislation, environmental laws, audit principles, and SIZA training
- Maintain active profiles on *MySIZA* and remain active in conducting SIZA audits. If an auditor is inactive for one year or more, the auditor will need to re-apply to become recognised by the programme

Please see the SIZA Auditor Competency Requirements for a detailed description of the requirements that SIZA Social (Ethical) and Environmental auditors and reviewers need to meet:

- **Social/Ethical:** <https://siza.co.za/wp-content/uploads/2020/11/Annexure-4-SIZA-Auditor-Reviewer-Competency-Requirements.pdf>
- **Environmental:** <https://siza.co.za/wp-content/uploads/2021/05/Annexure-3-SIZA-Environmental-Auditor-Reviewers-Competency-Requirements.pdf>

SIZA will monitor auditors and reviewers' competency by requesting specific information related to audit history, background, work experience, registration with the relevant regulating body, and proof of SIZA training from time to time. SIZA will maintain an active role in overseeing the status of audits and timelines for completion. SIZA will furthermore engage with members regarding any concerns or queries related to audits. Where needed SIZA can ask auditors to undergo more training and development programmes.

5.1. SIZA Auditors Training

Prospective SIZA Social (Ethical) and/or Environmental auditors will have to attend the SIZA relevant auditor training webinar and achieve a pass mark of at least 75% for the relevant Auditor Assessment to qualify before being considered as a SIZA Social (Ethical) or Environmental auditor, respectively.

Approved auditors and reviewers will also have to attend the SIZA Social (Ethical) and/or Environmental Auditor training that will be offered to experienced auditors annually and complete the Auditor Assessment on an annual basis to maintain their competency. A pass-mark of 75% must be achieved at minimum for each auditor, reviewer, and scheduler. Training will only be valid for a one-year period. Thus, all current auditors will maintain the responsibility to ensure they meet the requirements and knowledge to adequately work in the industry and for the SIZA programme.

In any event where SIZA or the audit entity believe a member of the audit team might require further training, experience, knowledge, or induction, SIZA can initiate such a request to the audit entity. The audit entity will then provide SIZA with proof that the auditor, reviewer, or scheduler has undergone the desired training. It remains the responsibility of the audit entity to monitor competency of the audit team regularly to ensure it remains in line with the SIZA competency requirements.

5.2. Audit Data and Audit Profiles

Audit data on the internal processes and procedures of the audit entity must be gathered and compiled by the audit entity throughout each year. It is the responsibility of the audit entity to adequately monitor practices internally and supply SIZA with up to date and accurate records when requested.

Audit data must include the following:

- Auditors registered with the programme
- Registration details of the auditors with relevant regulating bodies
- Curriculum Vitae of auditor(s)
- Number of audits conducted for SIZA and other related social and/or environmental compliance programmes
- Number of audit disputes along with the outcome
- Evidence of internal trainings attended, as well as other relevant training such as SIZA training

5.3. Audit Reporting

SIZA will review a sample of audit reports from each audit entity monthly and supply feedback to each company respectively. General and overall remarks will be shared with all. The purpose of this will be to assist audit entities to address the right issues internally with their auditors. Reports will be reviewed for compliance with the SIZA Social (Ethical) and Environmental APM, diligence in assessing the SIZA Social (Ethical) and Environmental Standard, as well as general report writing (spelling and grammar) and overall quality of reports. The aim of the audit report reviews is to ensure that all audit entities operate to the same standard and to ensure that all SIZA Social (Ethical) and Environmental audits are aligned. SIZA also recognises that audit reports are visible to global markets and will be a view on the SIZA programme as well as the competency of the audit entity and the auditor. Therefore, it is extremely important to compile excellent reports without any errors and to ensure that the content is a true reflection of practices on the farms.

6. COMPLAINTS AND DISPUTES

6.1. Audit Firms

In the event that an auditee does not agree with a finding or the risk-rating allocated to a particular non-compliance, the SIZA member (person responsible for the profile) can formally lodge an audit dispute on *MySIZA*. SIZA will follow the formal Audit Dispute Procedure to allow formal feedback from both the audit firm on the suitability of the finding, and its description. The process will furthermore allow for anonymous review and opinions from the SIZA Audit Expert Group on the particulars of the finding. Based on the majority outcome, SIZA senior management in conjunction with the audit entity will determine whether any changes should be made to the specific finding.

6.2. Auditors

It is possible for SIZA auditees, secondary members, and/ or stakeholders to lodge a complaint regarding an auditor or audit team when any deviation from the SIZA audit process, methodology or standards are not met. Complaints will be reviewed according to the following criteria:

- Auditor integrity & competency
- Evidence of bribery/corruption
- Conflict of interest
- Any form of discrimination
- Assessment integrity and results
- False audit reporting
- Fraudulent behaviour or processes
- Harassment

- Workplace behaviour and arrogance against auditees and
- Disloyal attitude or negative statements towards the SIZA programme
- Any misconduct according to the SIZA APM requirements

SIZA will manage complaints in conjunction with the audit entity according to its internal disciplinary policy and procedure.

6.3. Audit Feedback Forms

The feedback form will be sent to suppliers who have completed a SIZA Social (Ethical) and/or Environmental audit. The feedback will allow SIZA to better understand how the supplier experienced the overall auditing process. The aim is to improve SIZA processes and to ensure that audits are effective and not threatening to members.

7. SIZA IMAGE/BRAND

It is the expectation of SIZA that role-players involved with the programme and who financially benefit from the programme, must be loyal towards the programme, to protect and promote the SIZA brand, reputation and image. SIZA will continuously monitor audit companies, auditors, and relevant persons on how they represent SIZA in their activities and operations. This will be done by ensuring continuous engagement between parties, offering annual training to audit companies and audit staff, direct contact with SIZA members, the industry, and ensuring an open channel of communication to SIZA is always available. The option for any interested stakeholder to launch a complaint or dispute regarding an audit, the behaviour of audit staff or the outcome of the process will be available. It remains a choice to become part of the SIZA culture and to present and promote SIZA audits during activities.

8. CONCLUSION

The audit process should always reflect the internal principles of the audit entity and represent SIZA's standards and brand reputation. Based on the feedback and outcome of the reviews, SIZA will converse constructively with each audit entity, allowing for improvement for all parties and ensuring that SIZA Social (Ethical) and Environmental audits generate more credibility. It is expected of all parties involved in the audit process to contribute to the efficacy of the SIZA methodology and procedures. To ensure consistency and quality throughout the audit process.