



AUDIT OVERSIGHT

Monitoring & Evaluation Policy
for Third Party Audit Firms /
Auditors/Reviewers/Schedulers

Table of Contents

1. INTRODUCTION.....	3
2. PURPOSE	3
3. OBJECTIVES.....	3
4. SIZA AUDIT OVERSIGHT PRINCIPLES AND GOVERNANCE INDICATORS	3
4.1. Maintain SIZA recognition	4
4.2. Demonstrate market acceptance amongst prominent markets accepting SIZA across the globe ...	4
4.3. Maintain acceptance and recognition with relevant regulatory bodies as specified by SIZA	4
4.4. Able to demonstrate active engagement within the agricultural sector and with the SIZA programme	4
4.5. The maintenance of audit firm profiles on MySIZA.....	4
4.6. Conduct the minimum number of audits per year.....	5
4.7. Engagement Between Audit Management and Auditors	5
4.8. Response Time.....	5
4.9. Auditor Capacity.....	5
4.10. Auditor and Reviewer Competency.....	5
4.11. Audit activities must be completed within APM requirements	5
4.12. Audit Report Quality.....	5
4.13. Reporting of Critical Alert Notifications.....	6
4.14. Price Consistency and Audit Length	6
4.15. Audit Firm Complaints	7
4.16. Auditor Complaints and Disciplinaries.....	7
4.17. Continuous Internal Training & Governance.....	7
4.18. Continuous Support and Improvement.....	8
5. SIZA IMAGE/BRAND	8
6. CONCLUSION	9

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 firms. This continued drive ensures credible data is produced for global buyers and stakeholders, confirming that requirements are being met and showcasing compliance on various levels within the supply chain. It is important to maintain this drive toward continuous improvement among audit firms as well, allowing for a calibrated approach and methodology that benefits both the audit requestor, auditor, and buyer.

Incorporating a holistic risk-based approach from SIZA's perspective ensures that audit oversight measures improve performance and address potential risks that may impact audit integrity and reliability. This risk-based model will enable auditors and audit firms to manage and mitigate risks more effectively while aligning with SIZA's core values.

2. PURPOSE

The purpose of the SIZA Audit Oversight Monitoring & Evaluation Policy is to provide governance to the programme and measure certain criteria to ensure that third-party audit firms and the auditors who audit on their behalf are recognised and accepted by all relevant parties to ensure quality, competency, and compliance are maintained throughout the process. Additionally, the inclusion of a risk-based perspective aims to proactively manage risks, ensuring that auditors operate in a manner that minimizes risk to buyers, stakeholders, and auditors alike.

3. OBJECTIVES

The objective of the Audit Oversight Monitoring and Evaluation Policy is not only to manage risks and to provide assurance to the SIZA programme but also to ensure that risks to auditors and buyers are as low as possible. SIZA will support audit firms and auditors in maintaining recognition as far as reasonably practical while conducting rigorous evaluations based on principles and potential risks. Through this approach, SIZA will focus on:

- Identifying potential risks associated with auditor behaviour, competency, and compliance.
- Mitigating risks through regular monitoring, evaluation, and continuous improvement programs.
- Addressing auditor performance issues before they impact the credibility of audit reports.
- Ensuring a balanced and fair risk distribution between audit firms and buyers.

4. SIZA AUDIT OVERSIGHT PRINCIPLES AND GOVERNANCE INDICATORS

SIZA will assess audit firms using a risk-based matrix and the existing governance indicators, ensuring compliance and risk mitigation are central to the oversight process.

The following risk matrix will be used:

Rating Scale	
1	(Blue) – Requirements are fully met
2	(Green) – 95% (+) of requirement met with isolated exception(s)
3	(Amber) – Between 85% - 95% of requirement met with several outstanding actions
4	(Red) - <85% of the requirement is met resulting in immediate action to be taken

In any event, where an audit firm is allocated a rating of 4 (red) for any particular requirement, SIZA will formally engage with the audit firm regarding the practice in question, after which the audit firm may face potential suspension or undergo a formal performance review.

4.1. Maintain SIZA recognition

- Audit firms must maintain their recognition with SIZA and ensure adherence to the signed Service Level Agreement. As part of a risk-based approach, firms will be required to assess risks to their internal processes, ensuring that each role (auditor, reviewer, scheduler, audit manager) mitigates risks associated with ethical violations, performance inconsistencies, or quality deviations meet the policy of the following SIZA policies:
 - [SIZA Social Audit Process and Methodology](#) (along with any related Annexure to the APM) and the [SIZA Environmental Audit Process and Methodology](#)
 - [SIZA Social Auditor and Reviewer Competency Requirements](#) and the [SIZA Social and Environmental Auditor and Reviewer Competency Requirements](#).

4.2. Demonstrate market acceptance amongst prominent markets accepting SIZA across the globe

- Audit firms must be able to demonstrate that their audits and auditors are accepted by key markets globally. A holistic risk-based evaluation will include market trends and buyers' perceptions, ensuring that risks related to market rejection or discrepancies in auditor quality are minimised. Audit firms must provide written confirmation of acceptance and recognition by any relevant market of auditors and reviewers who audit on the SIZA standard when requested by SIZA.
- As part of the SIZA Audit Process and Methodology (APM), various elements of conduct, governance, and rules form part of audit firms' responsibility to ensure adequate competency and implementation of management systems.

4.3. Maintain acceptance and recognition with relevant regulatory bodies as specified by SIZA

- Audit firms must maintain continuous recognition with regulatory bodies like APSCA as part of market acceptance. A risk-based perspective will require firms to regularly assess potential regulatory risks, ensuring ongoing compliance to prevent reputational damage or suspension. These regulatory bodies currently include APSCA but may include any additional bodies determined by any relevant buyer or the SIZA programme. Naturally, once this happens, it will be communicated to all.

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

- Audit firms will need to provide verifiable evidence of their engagement in and knowledge about the agricultural sector where audits take place. This engagement will be reviewed for potential risks related to non-compliance, conflict of interest, or unresponsiveness within key stakeholder groups.

4.5. The maintenance of audit firm profiles on MySIZA

- Audit firms must maintain up-to-date profiles on the MySIZA platform. Delays or inconsistencies in profile updates could undermine audit integrity and timeliness.
- Audit firms must report any error that can delay the audit process within 24 hours to SIZA with evidence of the technical error (i.e., screenshot, full details).

4.6. Conduct the minimum number of audits per year

- All Social (Ethical) and Environmental audit firms must conduct a minimum of 24 audits (2 per month) per SIZA's financial year cycle (1 April to 31 March); otherwise, they will have to re-apply for recognition again with the necessary proven record as specified by the [SIZA Auditor and Reviewer Competency Requirements](#).

4.7. Engagement Between Audit Management and Auditors

- The audit firm must hold regular audit management governance meetings and feedback sessions with auditors and reviewers. SIZA must be provided with written evidence from at least two formal governance sessions, including annual feedback from the auditor and reviewer.

4.8. Response Time

- All audit firms must maintain active responsiveness and engagement with SIZA. Responses to emails, tasks, plans, and projects must be quickly turned around in 24 to 36 hours.

4.9. Auditor Capacity

- All audit firms must have enough auditors (a minimum of two auditors and at least one reviewer) to provide the needed capacity and ensure that new upcoming auditors can be shadowed to complete their competency. Every audit firm must at least train and develop two new auditors every year to be at the lead auditor level. Audit firms must ensure that they have auditors available in all the provinces in South Africa so that additional travel fees can be avoided to provide a cost-effective service to suppliers.

4.10. Auditor and Reviewer Competency

- Each audit firm will remain responsible for ensuring that all auditors and reviewers maintain and adequately meet the competency requirements set out by [SIZA Social and Environmental Auditor and Reviewer Competency Requirements](#).

4.11. Audit activities must be completed within APM requirements

- All audit requests must be formally scheduled within three months; however, the audit firm's scheduler must aim to finalise the scheduling, preferably as soon as possible. If the audit is not scheduled in the above time frame, SIZA reserves the right to contact the auditee to advise another audit firm with the capacity.
- All audit reports (including the review process) must be completed within 10 business days from the audit date in accordance with all requirements set out by the [SIZA Social Audit Process and Methodology](#) and the [SIZA Environmental Audit Process and Methodology](#).
- The auditor must review all corrective actions uploaded by the auditee within 10 business days of the date they were uploaded.

4.12. Audit Report Quality

- All audit reports published on the MySIZA platform must adhere to the quality standards and requirements set out by SIZA in the [SIZA Social Audit Process and Methodology](#) and the [SIZA Environmental Audit Process and Methodology](#).
- Audit Firms should use the templates for specific actions (e.g., Alert notifications, supplementary reports, etc.) supplied by SIZA in the APM.

- SIZA will conduct monthly reviews of audit report quality and revert to the audit firm with feedback on improving the audit report quality and writing skills of auditors and reviewers.
- When auditors and reviewers do not adhere to the requirements, the audit firm's evaluation rating will be negatively impacted.
- The following reporting measures will be evaluated for each firm and be required by firms to present to SIZA from time to time:
 - Overall quality of reports related to language use
 - The layout of the report (photo quality, text font size/editing, etc.)
 - Whether the reports include all the information required by SIZA (i.e., APSCA numbers, addresses of audit firms, location details of the site, management participation, etc.)
- The quality review, which will be done by SIZA and the audit firms, will include an overall risk-based approach to determine areas of potential risk, including but not limited to:
 - Number of times the auditor visited the site
 - Relationship between consultants and auditors
 - Riks-gradings overall by auditors – a comparative risk analysis to understand trends
 - The appropriateness of follow-ups and desktop reviews for corrective actions
- Trend analysis will be done to evaluate the risk profile of the site, together with the outcome of the latest audit, which will include, but not limited to:
 - Sites deemed High Risk with No SAQ + Critical + Dispute
 - Previous and continuous updates of SAQ
 - High Risks Related to Previous Critical Non-compliances
 - Medium Risk sites who have previously submitted corrective actions late
 - Medium Risk sites with previous audits that were not completed
 - Types of documents submitted for review and auditors' acceptance of the evidence

4.13. Reporting of Critical Alert Notifications

- The Critical Alert Notification must be communicated using the template prescribed by the applicable SIZA Audit Process and Methodology.
- The wording and quality of the Critical Alert Notification must be adequate and comprehensive, and it must include evidentiary information (verifiable evidence such as photos, documentary evidence, and factual proof) to substantiate the finding.

4.14. Price Consistency and Audit Length

- Maintaining ethical and reasonable audit costs is essential to ensure fairness, accessibility, and transparency within the SIZA framework. Audit firms must set fees that reflect the true value of their services while remaining competitive and affordable for businesses of all sizes. Ethical pricing practices help avoid exploitation, ensuring compliance costs do not become a barrier for agri-businesses striving to meet SIZA standards. By adhering to these principles, audit firms can build trust with clients and stakeholders while promoting sustainable practices that benefit the supply chain. No audit firm may schedule an audit outside of the SIZA APM requirements unless there is a justifiable reason which needs to be communicated to SIZA management.
- Audit firms endeavour to assist producers and guide them through the scheduling process to the best possible audit option for their business.

- Audit application Forms must avoid duplication of information as indicated on the SIZA SAQs.

4.15. Complaints Against the Audit Firm

- When complaints are received from Audit Firms via SIZA through the Voice for All programme:
 - SIZA will directly engage with the audit firm to determine a resolution, and the audit firm is expected to provide all the necessary resources to resolve any complaint as soon as possible.
- When complaints are received via the audit firm:
 - Audit firms must immediately communicate any complaints to SIZA if they are raised directly.
 - Audit firms will be expected to liaise with SIZA throughout the process to navigate the best resolution going forward.
- In any event, following a formal disciplinary process, where more than two complaints are raised against a particular audit firm, SIZA Board of Directors will reserve the right to suspend the audit firm or follow the best-suited recourse if evidence can be found that the audit firm is deemed to be liable and guilty. In any event where a complaint is received against a particular audit firm and evidence is provided and accepted of their liability towards the claim, it will negatively influence their evaluation rating.

4.16. Complaints against the Auditor and Disciplinaries

- In any event, where a complaint is lodged against any particular auditor, SIZA will engage with the audit firm directly and require their full compliance in an attempt to resolve the matter within five business days of receiving the complaint. This will result in the auditor receiving an improvement plan specifically developed to resolve the complaint (behaviour, knowledge, ethics, etc.).
 - When a second complaint is lodged against an auditor, the audit firm will, in partnership with SIZA, issue a formal final warning against the auditor for the particular wrongdoing.
 - In any event, if three or more complaints are received against an auditor, the audit firm, in partnership with SIZA, shall engage in a six-month development plan to assist the auditor in improving, which may include various monitoring activities.
 - Where an auditor has been deemed to not follow the disciplinary process adequately and continues to receive complaints despite following all the steps, the auditor will be suspended until reasonable evidence can be provided of the auditor's capabilities, change in behaviour, or improvement. The auditor will have to re-apply for recognition.
- In any event, a complaint against a particular auditor will negatively influence the audit firm's evaluation rating. Once the same auditor receives three or more complaints, this may also lead to suspending the particular audit firm.

4.17. Continuous Internal Training & Governance

- Every audit firm must ensure that all auditors remain competent and engage in continuous learning.
 - This shall entail internal training at least every six-months
 - One formal training pertaining to the applicable scope, i.e., Social Compliance, Environmental Auditing

- Regular calibration sessions (monthly or quarterly)
- Training and calibration must consist of at least the following:
 - Auditors conduct and effective communication
 - A clear understanding of audit methodology (interview techniques, document sampling, how to conduct a site survey, how to conduct opening and closing meetings, how to verify corrective actions etc.).
 - Applicable legislative knowledge and understanding (including interpretation differences).
 - Local and industry knowledge/understanding.
- Audit firms must ensure that all auditors, reviewers, and schedulers must be competent in their ability to navigate and use the *MySIZA* platform. In any event where further training is needed, the audit firm must engage with SIZA in arranging for such training in line with the [SIZA Auditor and Reviewer Competency Requirements](#).

4.18. Continuous Support and Improvement

- It will remain crucial that audit firms be able to provide SIZA with documentary evidence of continuous improvement for each auditor. This must include a formal review of each auditor whereby shortcomings or potential improvement indicators have been identified and implemented on an annual basis.

5. 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 firms, auditors, reviewers, 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 firms 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.

6. HOLISTIC RISK-BASED APPROACH

In addition to the quarterly governance reviews, SIZA will integrate a risk-based review process for each audit firm. The risk-based process will focus on identifying operational risks that may impact the audit firm's capacity to maintain SIZA recognition, deliver high-quality audits, and comply with regulatory and market requirements.

6.1 Risk Identification

SIZA will work with each audit firm to identify potential risks, which may include:

- Auditor competency issues.
- External risks related to market demand, regulatory changes, or global supply chain disruptions.
- Ethical risks concerning auditor independence or conflicts of interest.
- Operational risks related to the scheduling, execution, and reporting of audits.

6.2 Risk Mitigation Strategies

Once risks are identified, SIZA will engage in proactive risk mitigation strategies, which will include:

- Implementing corrective actions for audit firms rated 4 (red) in any requirement.
- Enhancing training and calibration programs to reduce competency-related risks.
- Ensuring transparent and timely communication between auditors, audit firms, and SIZA.

6.3 Continuous Monitoring and Feedback

SIZA will monitor the identified risks continuously, providing feedback and requiring audit firms to address any risks that arise. Formal feedback will be given to each firm annually, including recommendations for further development or improvement.

7. CONCLUSION

By integrating a holistic risk-based approach, SIZA ensures that audit firms comply with the program's governance indicators and manage and mitigate risks effectively. This balanced approach helps secure audit integrity, safeguard stakeholder interests, and promote a more robust and resilient auditing ecosystem. All parties involved in the audit process should contribute to this risk management framework, enhancing the overall quality, consistency, and reliability of the SIZA auditing process.