



Sedex Members Ethical Trade Audit (SMETA)

Guide to a Pre-Audit Information Pack

BACKGROUND

As the SMETA process becomes more widely used, Sedex members have requested a standard pack to provide suppliers / supplier sites with essential pre-audit information, which will help them prepare for a SMETA audit.

The pack has been put together by the Associate Auditor Group and includes documents already being used by auditors performing SMETA audits, as well as some new additions.

The information does not aim to replace any documentation currently in use, rather it is intended as a template to answer the most frequently asked questions and assist all parties in preparing for a SMETA audit.

SMETA users should include this only if they find it helpful.

USAGE

This 'Guide to a Pre-Audit Pack for SMETA audits (henceforth known as 'Suite of Documents') has been assembled from an auditor's perspective, and for an auditor's use, anticipating that this group are often the first contact a supplier has with the Sedex system.

Other types of members (and non-member users of SMETA) may find it useful for informing their supply chain, and it is hoped that supplier sites will also find it helpful in preparing for a SMETA audit.

The guide has been put together in stand-alone sections, within the 'Suite of Documents' so that both auditors and other SMETA users can select the parts which are appropriate for them.

By making this widely available in a standard format the AAG hopes to further increase the consistency of the SMETA process. It is suggested that both auditors and/or customers will find this framework helpful in preparing supplier sites for audit and supplier sites should also improve their performance by increasing their 'audit process awareness'.



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The 'Suite of Documents' in this guide is suggested by the AAG as the minimum requirements for pre-audit activity by the auditor, as well as the pre-information necessary to prepare the site for a SMETA audit. Please see below for details on how each document can be used.

The documents (included in this 'Suite of Documents') should include but not be limited to:

1. Auditing Factsheet
- 2A & 2B. Essential Pre-Audit Actions for Auditors/Sites
3. Introductory Letter
4. Code of Integrity and Professional Conduct of an Auditor/Audit company
5. Documents outlined in SMETA Best Practice Guidance
 - 5A. Ethical Trading Initiative Base Code
 - 5B. Scope of a SMETA Audit
 - 5C. List of Required Documents
 - 5E. Principles of Worker Interview
 - 5F. Data Protection Waivers
 - 5G. Information on Sedex and details of SMETA supplements
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 - 5I. Typical Audit Agenda
 - 5J. Non-compliance Process and Sedex
 - 5K. Details of Report Receivership
 - 5L. Audit Follow-up



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OVERVIEW OF SUITE OF DOCUMENTS

1. Auditing Factsheet

This document covers in brief 'What is Sedex', an outline of Sedex and ethical audits, as well as how SMETA fits into the Sedex process.

2A. Notes to auditors of essential actions before an audit

Main topics covered are the need to explain the benefits of the SMETA process (potential of one audit for all customers), as well as the need to pre-review the site's Self Assessment Questionnaire (SAQ). See '[Essential Pre-Audit Actions for Auditors](#)'.

2B. Notes to sites of essential actions before an audit

Outlines the activities required of a supplier site in preparation for an audit. Correctly followed, this will facilitate the audit proceeding smoothly with all relevant logistical arrangements, people, and documents, in place on the day. See '[Essential Pre-Audit Actions for Sites](#)'.

3. A letter to the site introducing the audit and auditor

This briefly explains the audit process, the standards to be used, and gives contact details for the auditor/audit company, in case the supplier has questions ahead of the audit day. See '[Introductory Letter](#)'.

4. The code of integrity and professional conduct of the auditor/audit company

SMETA requires that the site is given information on the auditor's/audit company's own code covering the professional conduct of the auditor. This document suggests a possible code. In this example the site signs to confirm it has received a copy and understood the content, which is recommended as best practice. See '[Code of Integrity and Professional Conduct of an Auditor/Audit company](#)'.

This may be sent with the pre-audit information pack, but it is also a necessary part of the discussion on the audit day.

5. Documents outlined in SMETA Best Practice Guidance. i.e.:

5A. The standard code and local law that apply

The supplier must be aware of the standards they will be audited against. If you are an independent auditor you can find local law information on the UN /ILO web sites, or from the



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local offices of large audit firms - note this may be a costed service. Where possible, copies of relevant laws should be sent to suppliers as part of the pre-audit pack.

The SMETA methodology uses the Ethical Trading Initiative (ETI) Base Code. Please ensure that this code is communicated to the supplier effectively. The code is available in several languages; please establish if the supplier has a preference. A copy is within the 'Suite of Documents' as 'Ethical Trading Initiative base code'.

5B. Audit Scope

This outlines the areas which are covered by the audit activity. It may be included in the introductory letter, but for the purposes of this guidance it has been included within the 'Suite of Documents' as a separate document 'Scope of a SMETA audit'.

5C. List of documents that is to be available on the day of the audit

To assist the site with audit preparations the auditor should provide a list of typical documents that should be made available to the audit body on the day of the audit. This should be sent in sufficient time to allow the site to prepare the necessary documents in advance of the audit. Attached is a 'List of Required Documents'.

5D. Key people to be available on the day of the audit e.g. management personnel, union or workers committee representatives, Health and safety representatives

For the purpose of this pack, this information has been included in the 'Introductory Letter' in the 'Suite of Documents'.

5E. Principles of employee interviews

Informs the site of the need for a private and comfortable (for workers) space for worker interview and gives details of how the auditors will select appropriate workers. Attached as 'Principles of Worker Interview'.

5F Confidentiality /Data Protection

In countries where there are data protection requirements, e.g. all EU countries, auditors should obtain the written permission of workers to view personnel files during the interviews, via the use of data consent forms.

Note: some contracts of employment or terms of engagement contain a clause saying that "as an employer the company holds and may share personal information about its employees". In these cases it is advisable to check the legal position. If in doubt see attached a document from the ETI which may be used for signatures, in the 'Suite of Documents' as 'Data Protection Waiver'.



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5G: Standard information regarding Sedex and the Best Practice Guidance

This can be included in the introductory letter and see also the Auditing Factsheet. There are several other documents available to Sedex members which are useful when a supplier is expecting a SMETA audit. See attached 'Information on Sedex and SMETA supplements'.

5H. Worker Information Leaflet (leaflets or DVD)

ETI Code requires that employees are fully aware of the code and that there are standard communications which will support a supplier site in communicating the code to workers. Audit companies can supply a 15 minute DVD which covers the 9 elements of the ETI code. To assist the supplier site, auditors may use the attached 'Worker Information Leaflet' – see 'Suite of Documents'.

5I. Audit Agenda/ Timetable

To enable suppliers to plan the day(s), it is essential to give them prior warning of a typical audit time table. This may require alteration to suit the size of the site, but an information sheet is attached which includes two examples (a) typical audit plan for a one day audit , (b) typical audit plan for a 2 day audit with 2 auditors over one day. See 'Typical Audit Agenda' in the 'Suite of Documents'.

5J: Non-compliance process

This document gives some brief details on the definitions of non-compliances, observations and good examples. It explains the purpose of the Corrective Action Plan Report (CAPR) and the actions required of the supplier site to agree (or dispute) the non-compliances. Also included is the purpose of the 'root cause' discussion, and the need for the site to take on ownership and completion of the corrective actions.

Some information is also given on uploading the audit details to Sedex and links to further supplier guidance on audit upload. See 'Non-compliance process and Sedex'.

5K: Report receivership especially any third parties

Describes the normal ownership of audit information and highlights the importance of obtaining 'audit release' information from the site if the customer expects to see details.

Audit information belongs to the audit payee, but many of the site's customers will expect to see a copy. Upload onto to the Sedex system will allow the site to share the information with clients they have linked to. For any off-line transfer of information, it is important that the site agrees



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who else can obtain a copy of the audit report. See 'Suite of Documents' - ['Details of report receivership'](#).

5L: Audit Follow-up Information

A Follow-up audit is a process where an auditor verifies the corrective actions already completed by a site, and this can be performed by:

- desktop follow-up where a site visit is not required and corrective actions can be verified by e.g. photographic evidence or documents provided by email
- site visit follow up where an auditor re-visits a site to examine corrective actions

For more details on how to prepare for follow up audit please see "Audit Follow Up" in the suite of documents.

REVIEW

This 'Guide to Pre-Audit Pack' is a compilation of the best practices currently in use by audit companies/auditors currently performing SMETA audits.

It will be the subject of continuous review and we welcome any feedback on how it might be improved.