

Global amfori BSCI Calibration Meeting Minutes

16th and 17th of October 2018 – Brussels

Attendance List

Attendant	Organisation
Scheme Manager	ABS
Scheme Manager	Asialnspection
Scheme Manager	ALGI
Scheme Manager	APCER
Scheme Manager	AQM
Scheme Manager	BV
Scheme Manager	Elevate
Scheme Manager	Intertek
Scheme Manager	SGS
Scheme Manager	Tuv Rheinland
Scheme Manager	Tuv Sud
Scheme Manager	UL-RS
Field Officer	KPMG
PMO Representative	KPMG
Erika Sok	amfori
Gabrielle van Melkebeke	amfori
Yakut Oktay	amfori
Frazer McFadyen	amfori

Excused	Organisation
Scheme Manager	Tuv Nord
Andrew Martin	amfori

Documents Used and Distributed:

1. Powerpoint presentation

DAY 1 – 16 OCTOBER 2018:

Agenda Item	HR update and new amfori structure	Presenter	Erika Sok
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Summary : The latest HR updates were provided, and the amfori organizational transformation was presented.

Question/Comment	Answer
Where is the administrator based?	In Brussels.
What does PMO mean?	Project Management Office

Agenda Item	Quality Updates	Presenter	Yakut Oktay & Frazer McFadyen
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Summary : External reporting AQP Workshop, and short presentation of the amfori KPI tracker

Question/Comment	Answer
There are deadlines on the emails that we receive. Does this mean all these deadlines are checked for KPI tracking?	For the time being we only check the 24-hour KPI from amfori side. For RCA/CAP/investigations, the set deadline is tracked by both amfori and KPMG.
How many disputes have you received so far? (directed to KPMG)	So far 2 disputes.

Agenda Item	Stories from Quality Activities	Presenter	Fanshu Yang & Deepa Dulani
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Summary : Intertek and UL-RS have presented their experience with the Audit Quality Programme so far.

Question/Comment	Answer
Intertek	
It will be difficult for the Scheme Manager have oversight on everything.	The Scheme Manager does not have to be in the loop of everything, but there needs to be a general knowledge about how things work in the company with regard to amfori BSCI operations.

What happens if the Scheme Manager changes, the BMO moves to another, country, etc?	The programme would continue as it is. We believe that the companies would need to have proper handover processes, and we would expect that the knowledge and history are passed onto the new person.
How are the Local Offices sampled?	This year we started with offices with more audit volume. By the end of the year, we have shifted to the more risk-based approach we wanted to work with. We look at the data we have, the information we receive from the outside about an office/region/country, and look at the findings from the previous activities. Until the AC receives the kick-off email from the AP, the location remains tentative.
UL-RS	
Why did your LO audit happen after your Witness and Duplicate audits?	There is an ideal sequence to the activities, i.e. OSR, BMO, LO, WA, and DuA, but this sequence is not a “must”.
The level of involvement and oversight expected from the ACs is sometimes unrealistic, even if the Scheme Manager works for the programme full-time.	Reply by another AC: It is more about accessibility.

Agenda Item	Quality Updates (cont'd)	Presenter	Frazer McFadyen & John Wilkes
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Summary : Updates from KPMG on data and finding trends

Question/Comment	Answer
For the audit packages, sometimes we have 1000 pictures. What would you like to see in the file; a sample, or everything?	For Witness Audits, you wouldn't need as much, but with Duplicate Audit, indeed all available documents and photos would be useful. The excessive document issue is more about the office level activities, where we really need to work through the files.
Would you inform the AC if the KPI is not met, that you are recording it?	It is good feedback. We are happy to take on board.

Agenda Item	IT user feedback	Presenter	Erika Sok
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Summary : Scheme Managers were split into 4 groups of 3 and will spend 20 minutes with the IT Service Provider that is building the new amfori Platform to provide feedback.

Agenda Item	amfori Academy	Presenter	Gabrielle van Melkebeke & Adrian Poher
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Summary : presentation of auditor volume per top 15 countries of audit

Question/Comment	Answer
To ACs: do you like the changes to the academy?	Some ACs are unaware of the changes, but those who use it like the improved visibility.
Can SMs have automatic updates on new videos uploaded to the academy?	Yes, this is possible.
Why can't the full system manual be downloaded as one document?	This is based on feedback from the last version of the system manual
If SMs see training is available and the number of sign ups is low, would you like us to tell you if we plan on sending an auditor we are recruiting but is not yet uploaded to the platform?	Yes, please do this.
When will 2019 training plans be published?	Trainings are published two months in advance. So, in November, January's training will be published.
What are the minimum numbers for a 5-day auditor training to go ahead	Between 8-10 auditors, depending on geography and the trainers.
It's not too easy to build up the audit number needed so quickly in certain regions.	We are open for exception requests if the country is an up-and-coming one. We also let you know when there are such countries, so that we can work together to build capacity.
When we ask for an exception, and upload everything on the Academy, if the profile is accepted, does this mean that the exception is accepted?	Yes, that is correct.

Agenda Item	Maintenance of Proficiency	Presenter	Gabrielle van Melkebeke
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Question/Comment	Answer
There is currently only one topic, will more be added?	Yes.
Should every auditor complete the same topics, or will this be varied depending on their geographical location, for example?	Zero Tolerance will always be mandatory, but yes targeted training may be developed based on ACs and different needs.
If new modules come out, do qualified auditors need to take it?	No, the MOP is on a 24-month cycle
Will auditors require reminders?	Yes, and scheme managers will be provided with reminders too.

Agenda Item	Operational Questions from ACs: Self-Study	Presenter	Yakut Oktay
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Summary : Operational questions that were received from multiple ACs were brought to forum to create consensus.

Question/Comment	Answer
What do we mean by 'on a sample basis?'	At least one piece from each type. But, if there's a finding on this sample it has to show the finding
Do 'Names' refer to brand or persons	We will confirm this with our GDPR specialist and IT manager. We will revert their solution to ACs for approval.
Some certificates show workers face and id number, so can we still upload this to the platform?	Please keep such certificates in the audit file, but do not upload on the platform. They should still be available for review if a member, amfori, or the AP requests.
If the payroll/working hour logs include workers names, do we need to blur this information before uploading?	We will confirm this with our GDPR specialist and IT manager. We will revert their solution to ACs for approval.
Should the whole text of policy/procedures be attached or just the cover page and content?	If there is a finding related to the policy/procedure, please include the cover page and the relevant text. If there is no finding identified, then only the cover page is sufficient.
If the comparison between the living wage that the auditor has calculated and the	NO:

<p>actually being paid shows that workers are not receiving living wage a finding is not raised? In which cases Q.5.4 is answered no or partially?</p>	<p>The producer has no understanding of living wage, has made no calculation or plan, and the total remuneration (the breakdown is available under question 5.4 guidance) does not meet the living wage calculated by the auditor.</p> <p>PARTIALLY: The producer understands what living wage is, and may or may not have attempted a calculation. The producer may have created a plan for payment of living wages to the workers, with a realistic timeline. The total remuneration partially meets the living wage calculated by the auditor, i.e. a percentage of the population receives a decent wage.</p> <p>YES:</p> <ol style="list-style-type: none"> 1- The producer has a good understanding of the living wage, calculated the living wage for its facility, and has a realistic plan to provide living wages. All workers receive a total remuneration that meets the living wage calculated by the auditor. 2- The producer does not have an idea about what living wage is, but the total remuneration meets/exceeds the living wage calculated by the auditor.
<p>is there a new approach that the whole PA needs to be re-evaluated during a FA.</p>	<p>There is no new approach.</p> <p>If, in the previous audit, the previous PA was rated A with no findings, then this PA should be rated as “not rated” during the follow-up.</p> <p>If there is even one finding in a PA, the auditor must conduct their due diligence about that PA, and rate all the relevant questions in the PA.</p> <p>If the audit is limited extent, the auditor doesn't need to look at the other PAs. The PAs that are not included in the scope must keep their original rating.</p>
<p>Do the auditors need to use the Anker methodology, or can they accept a methodology accepted by the wider community?</p>	<p>The auditors can use any methodology that is accepted by the wider auditing community.</p> <p>They can also directly use the Anker figures for the countries whose calculations are already finalised by the Ankers.</p>

ACTION: amfori Secretariat will check the “Names” and “logs” questions internally, and communicate the solution with the ACs accordingly.

DAY 2 – 17 OCTOBER 2018:

Agenda Item	Invoicing of 2019 Information Handling Sanctions	Presenter	Frazer McFadyen
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Summary : Information on how the quality activities will be invoiced in 2019, the new workflow for handling information, and an open conversation about sanction handling in 2018.

Question/Comment	Answer
Quality Invoices 2019	
Do the ACs have 30 days to pay the invoice?	Yes. This is noted in the framework contract.
How are the invoices handled with new Auditing Companies?	There is a separate methodology.
Will the breakdown of the costs remain the same?	Yes, 50% office level, and 30% field level.
Will the invoices be sent in April?	Yes.
What will happen if the activity forecast changes?	It will be communicated, and a new invoice will be sent out.
Information handling	
Do you want amfori to share email with no supportive evidence to AC?	Yes
What do you mean by a correct CAP?	If the action is logical and justifiable. This is really just a sense check
Sanctions	
Letter gives overview and next steps. But if there is any change, it would be good to have an update. What is required is needed and how. Timelines Communication transparent	Comments are noted and will be included in the Sanction SOP under development
Process for communication to be set up clearly	Comments are noted and will be included in the Sanction SOP under development
Next step and how the CAP are evaluated ?	Comments are noted and will be included in the Sanction SOP under development
Before the case goes to the sanction council, having a last chance to discuss ?	The current process includes meeting and discussion before reaching out to the Sanction Council. The Sanction process will formalise it more clearly

Can we call for a special/extra quality activity?	Contact amfori
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Agenda Item	AP: Data Analytics	Presenter	John Wilkes
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Question/Comment	Answer
What are the categories on the blank/null answers	This is all categories
Is this based on samples of audit reports?	This is based on every report submitted to the platform
Is the minimum duration is based on the auditors' attendance?	Yes, this is based on the duration of full audits as defined in the system manual
It may be caused by the audit plan being incorrect through poor information received prior to the audit. This would be reflected in the report	* (Andreas): This is clarified in the new system manual * Some exceptions are acceptable, but we focus on the big picture so anomalies are excluded.
Is this the real data?	Yes
Do you have a minimum sample?	No, it's 100%
It would be good to have a comparison between individual ACs and the average	This is the premise of the reliability score
A high proportion of C is not often the ACs fault, the grading system makes it more difficult	Data analysis will only ever be used to guide activities or onsite conversations. These analyses won't be used in isolation.
Does this graph only include full audits?	This is for all audits
It would be worth having the follow up audits in a separate table because improvement is different.	This is something that we are looking to develop. Although the majority of audits are first audits so that data set is far smaller.
How often will you provide updates?	We will aim for quarterly updates

Agenda Item	Reliability Score	Presenter	Frazer McFadyen
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Question/Comment	Answer
Will this be communicated externally?	At the moment it will not, but in the future it might – once everyone feels comfortable and once the members are also educated about how to interpret the RS result.
What is the purpose of the Reliability Score (RS)?	The RS will be used as part of risk assessments for each auditing company and be taken into consideration when allocating quality activities. There will also be a project group in 2019 to decide how to communicate this with members.

Is the score of the BMO and the LO the same in the same document?	Yes, the results from all quality activities will be included
How do you manage multiple local office audits?	The scores will be averaged and included in the RS. Although sanction lifting activities will not be included in the RS.
What if there is contradictory information between the AP and the local office?	Agreed that there needs to be cleared information in the report so that the Scheme Manager can understand better. It will be discussed with the AP in the next following days.
How often will this be updated?	On a monthly basis.
What does the CAP sheet assess?	The CAP assesses the number of CAPs that have been completed by an AP.
Has the suspension of auditor qualification been taken into consideration here?	Yes, this will be part of the suspension.
We need a clear definition between global and regional suspension	A global suspension is where an AC is suspended from conducting any audits, whereas a regional suspension will be where an AC has only a partial restriction on conducting audits.
What about companies that work only in one region? For them this would be then globally and not only regional?	This will be regional as it relates to the systems in place to manage a particular country.
Idea: to analyse the market shares of audits conducted by AC to determine for them what would be regional and global.	This is a good idea
What about temporary lift of suspension?	At the point where a suspension is temporarily lifted, the CAP should be mostly completed. Therefore, this will be reflected in the score.
Idea: to always have the previous month in the report so that AC's can correlate information	Ongoing tracking will be a key part of the RS.
Would adding the caps in both sheets have a double count?	Yes, we will avoid doing this.
Will the CAP actions carry over from one year to the next if it is incomplete?	Potentially, if an AC defines a 24 month completion date then yes. Otherwise CAPs will be redefined at each quality activity.
If I'm suspended to one region only, can I continue applying for expansion in one country? (through the amfori academy)	Yes.
Scheme Managers would like to see where they are situated compared to other AC's: an 'average'. This helps getting the buy in from top management when they try to implement changes.	We are hesitant to provide this but understand there is a clear want. We will discuss and revert at the next calibration meeting.
Will we be free to show this to our clients?	Eventually yes, but there will also be a project group in 2019 to decide how to communicate this with members.
Will you give us our rating?	Yes.
Will you give us our ranking?	Not until we have at least one year of data.

ACTION: amfori Secretariat will internally check if there would be a possibility to provide a comparative chart/graph to the Auditing Companies about their Reliability Score. The conclusion to be revealed at the first Global Calibration Meeting of 2019.

Agenda Item	IT workshop	Presenter	Erika Sok
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Summary: Consensus was reached that all scheme managers are ok to be part of the feedback group for the IT platform. Details will follow through email.

GDPR and Young Workers Data Sheet: Do not put any information in the audit report until we communicate further on this. Same goes for the AP regarding quality-based information.

Agenda Item	SPA	Presenter	Yakut Oktay
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Summary: A quick feedback session regarding how the SPA is experienced by each Auditing Company.

Question/Comment	Answer
AC feedback: Process smooth, 80 percent auditors went through the training, no issue with members and producers. 5 out of 7 SPAs were conducted by this AC. Tunisia: Follow-up audit conducted as SPA.	
Other AC: 0.5 day is not enough, sometimes it's not a SPA because they have over 100 workers.	Thank you for the feedback. Regarding the wrong SPA requests, there are two parts to the due diligence; the member's and the AC's. If the member did not complete the due diligence correctly, then the AC must communicate with the member accordingly, and not proceed with the audit until all the information is confirmed.
Feedback from Turkey: Is it possible to send a checklist with SPA for preparation purposes? Similar to how the System Manual provides detailed explanation on the expectations from the producer. SPA specific guidance – not annex 12!	Thank you for the feedback. We will explore the options.

Agenda Item	Special Investigations	Presenter	Gabrielle van Melkebeke
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Summary :

Question/Comment	Answer
Is the report different?	The reporting format is mostly the same. We will ask for detail on different areas depending on the nature of the request. Again, depending on the nature of the request, we may also ask you to not use the normal reporting format, and just fill in a blank page.
Does it go through the platform?	Depending on the scope, format, and sensitivity of information, it may be reflected on the platform.
Is the time allocation like a normal audit?	It depends on the case. In the latest case, there was off-site work to be done, so we allocated the time accordingly. There is more flexibility than a normal audit.
Feedback from Scheme Manager on Special Investigation request of September 2018 :	
Some of our investigation audits were access denied, but because the Secretariat is in a different time zone, we could only provide this information later. Would it be possible to provide a local contact to ensure that the feedback is provided on time and to define the next steps on-site?	Yes, we are becoming more proactive in this because we need to work closer with you. The auditing team is being more and more involved in the process, so the audit will be more and more structured.
Can other audit firms see the investigation reports on the platform?	Yes

Agenda Item	APSCA	Presenter	Erika Sok
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Summary : Update on APSCA, and potential changes to auditor qualification in 2019.

Question/Comment	Answer
If, by February 2019, we don't have auditors registered with APSCA, they can't do audits?	In principle yes, but we are working with APSCA on this because we know that they are still processing applications from ACs. However, we will have clear guidelines based on what is possible because we know some ACs won't be members despite best intentions.

So, there is no amfori BSCI equivalence for APSCA? Could an APSCA registered auditor automatically be accepted as an amfori BSCI auditor?	No. It will be a requirement to be an APSCA registered auditor to do the BSCI qualifications. It is a starting point rather than equivalence.
If the auditor is only an associate auditor in APSCA, would this stop them from being a lead auditor for amfori BSCI?	No. We are only looking for registration. The status of the auditor with APSCA does not affect their status with amfori BSCI in terms of team member or lead. Maybe in a year time it may change but this is where we are right now. We will have calls with all of you and with APSCA to understand where they're at.

Agenda Item	BEPI	Presenter	Erika Sok
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Summary :

Question/Comment	Answer
Will there be any list of requirements or expectations or quality activities to help us prepare?	If you are already amfori BSCI-approved, then you'll have had quality activities and this is sufficient. The next steps are to find staff and have a scheme manager; ad hoc there will be field quality activities later down the line.
Can the scheme manager do both amfori BEPI and amfori BSCI?	Yes, but it's important the at there is streamlined communication between both parties.
Can you tell us when the acceptance option for BEPI is opened?	Yes, but we're not ready to accept applications on the Academy yet. When we have the IT structure in place, we will let you know. Something you can prepare in advance is the geographical and industrial scope
Will BEPI be covered under the Calibration Meeting?	We are working on a way to incorporate both. We will keep you updated.
Can other audit firms see the investigation reports on the platform?	It depends on the structure of the scheme managers. At the moment, though, there is insufficient volume for this. IT will depend on how internal operations are managed by ACs including the role and overlap of scheme manager.

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