ASI Audit Report Oversight Assessment Procedure

Version 3 – March 2021

1. PURPOSE

This procedure describes the internal Oversight Assessments carried out by the ASI Secretariat to review ASI Audit Reports. The objectives of this procedure are to:

- Enhance rigour and consistency of ASI Audits
- Ensure ASI has an oversight process that is efficient, effective and scalable
- Use the oversight process to identify ongoing improvement opportunities in ASI's assurance system.

2. SCOPE AND APPLICATION

ASI's Audit Report Oversight Assessment procedure applies to all submitted Audit Reports.

These Oversight Assessments form part of the ASI Oversight Mechanism, which is designed to align with the principles in the ISEAL Code of Good Practice for Assuring Compliance with Social and Environmental Standards. Relevant clauses in the Code include:

- 5.4.1 regarding oversight mechanism
- 5.4.2 regarding independence of oversight
- 5.4.4 regarding authority of oversight bodies
- 5.4.6 regarding proxy accreditation – supplementary measures
- 5.5.4 regarding evaluation of competency – recurring

This procedure is implemented by the ASI Secretariat and is applied to ASI Accredited Auditing Firms and ASI Accredited Auditors.

3. DEFINITIONS

Term	Definition
ASI Accredited Auditing Firm	A Conformity Assessment Body meeting ASI's objective selection criteria and accredited to carry out ASI Audits.
ASI Accredited Auditor	A qualified person individually accredited by ASI who conducts ASI Audits on behalf of and under the responsibility of an ASI Accredited Auditing Firm.
ASI Audit	Systematic, independent and documented process for obtaining and assessing objective evidence to determine the extent to which the requirements for ASI Certification are fulfilled by an ASI Member. Audit types include Certification Audits, Surveillance Audits and Re-Certification Audits.
ASI Certification	An attestation issued by ASI, based on the results of an ASI Audit by an ASI Accredited Auditing Firm, that the required level of Conformance has been achieved against the applicable ASI Standard and for the documented Certification Scope.
ASI Standards	ASI Performance Standard and ASI Chain of Custody Standard.

Term	Definition
Audit Report	Report on the ASI Audit generated by the ASI Accredited Auditing Firm and submitted to the Member and to ASI via the ASI Assurance Platform, *elementAl*.
Audit Report Oversight Assessment	Internal assessment by ASI of all submitted Audit Reports to: • confirm that the ASI Accredited Auditing Firm has conducted and documented ASI Audits consistent with the requirements of the ASI Assurance Manual, • through direct feedback, enhance competence and consistency of assurance providers, and • identify ongoing improvement opportunities in ASI's assurance system..
Audit Scope	The Audit Scope is defined by the ASI Accredited Auditing Firm and includes a selection of Facilities, Business Activities within the Member's Certification Scope, and a selection of Criteria considered to be the most relevant, taking into account the nature, scale and impact of the Member's business.
Audit Support Personnel	Non-auditing personnel affiliated to an ASI Accredited Auditing Firm, managing audit engagements, ASI liaison, or other administrative activities to support ASI Audits.
Board	ASI Board as defined in the ASI Constitution.
Certification Scope	The Certification Scope is defined by the Member and sets out what parts of a business, Facilities and/or Business Activities are covered by an ASI Certification.
Conformity Assessment Body (CAB)	An independent third party organisation that undertakes conformity assessment techniques and activities, including audits and assurance.
Lead Auditor	A qualified person responsible for the overall conduct of an ASI Audit and who can lead an Audit Team.
Member	An Entity or group of Entities that is a current member of one of ASI's six membership classes: • Production and Transformation (eligible for ASI Certification) • Industrial Users (eligible for ASI Certification) • Civil Society • Downstream Supporters • Associations • General Supporters
Registered Specialist	A person registered by ASI as being a technical expert that can support the implementation or assessment of ASI Standards. Registered Specialists may be used by Members and Auditors.
Outsourced Resources	A person or persons engaged by the ASI Accredited Auditing Firm to assist in the preparation and/or execution of the audit. These persons may include technical support personnel, translators, ASI Registered Specialists (see above), or other consultants.

4. REFERENCES

- ASI Assurance Manual
- ASI Performance Standard and Guidance
- ASI Chain of Custody Standard and Guidance

- ASI Auditor Accreditation Procedure
- ASI Oversight Mechanism
- ASI Oversight Assessment forms (in *elementAl*)
- ASI Complaints Mechanism
- ASI IT and Data Governance Handbook
- ASI Governance Handbook
- ISEAL Code of Good Practice for Assuring Compliance with Social and Environmental Standards

5. PROCEDURE

5.1. Roles and Responsibilities

1. The table below sets out key roles and responsibilities for Oversight Assessments:

Role	Responsibilities
Director of Assurance *(or a delegate appointed by the CEO)*	• Overall management of oversight processes, including planning, regular reviews and internal reporting • Identifying and actioning opportunities to improve the ASI assurance model, auditor competency, data governance and/or other aspects of ASI's systems.
Oversight Reviewer	• Conducting the oversight review of each Certification Audit Report, and/or co-ordinating any additional support from the ASI Secretariat, for example, a second or alternative reviewer as appropriate • Managing communications with the ASI Accredited Auditor, including requests for any follow-up information or actions arising from the oversight assessment • Determining whether the ASI Audit as described in the Certification Audit Report meets or does not meet the requirements set out in Table 1 • Preparing the ASI Public Summary Audit Report and co-ordinating final confirmation with the Member on the Certificate details (names, punctuation and Certification Scope description) • Issuing the ASI Public Summary Audit Report to the ASI Member, ASI Accredited Auditor, and ASI's Communications Manager, cc the Secretariat • Gaining and/or maintaining in-depth knowledge of the ASI Standard/s and intent, and of the ASI Assurance Manual. Where this knowledge is not in place through involvement in standards development, monitoring and evaluation and/or training delivery, relevant training courses on the ASI program are available through: https://asi-educational.thinkific.com/collections
elementAl Manager	• Effective functioning of the elementAl platform generally, and particularly with regards to the Oversight tab's functionalities.
Learning Manager	• Developing approaches and material for building and evaluating competence, and supporting calibration processes for ASI Accredited Auditors and Registered Specialists.
CEO	• Providing appropriate resources for oversight processes to be carried out efficiently and effectively.

Role	Responsibilities
(or a delegate appointed by the CEO)	• Reporting any material issues or significant improvement opportunities to the Board. • Approving new or updated procedures. • Approving any associated public communications about the Entity's ASI Certification.

5.2. Process Overview

2. The ASI Audit Report Oversight Assessment process is actioned through two *elementAl* forms with instructions.

    • These are shown under the 'Oversights' tab in the Secretariat Dashboard and appear as editable links when a new Audit Report has been submitted to ASI.

3. The 'Oversights' tab shows the current list of Audit Reports submitted that are awaiting or still in progress for an Oversight Assessment, and associated details.

4. The 'Oversight Admin' form is where the Oversight Reviewer and status is documented (see section 5.2).

5. The 'Oversight Assessment' form is where the assessment itself is documented and has 7 Steps (see section 5.3).

6. Members of the ASI Secretariat have various responsibilities for the process (see section 5.4).

5.3. 'Oversight Admin' Form

7. The Oversight Admin form was incorporated into *elementAl* in January 2020. This is an internal form where the following can be assigned/updated:

    • The assigned Oversight Reviewer
    • Other ASI Secretariat Involved
    • Internal summary of process status which can be updated at any time during the Oversight Assessment.

5.4. 'Oversight Assessment' Form

8. The Oversight Assessment form was incorporated into *elementAl* from January 2020. The format is designed to systematise and centralise the workflows and records management for the ASI Secretariat and ASI Accredited Auditing Firms.

    • Only the ASI Secretariat or the ASI Accrediting Auditing Firm has editorial access to an Oversight Assessment at a given time, during which it is locked to the other party. Editing control is handed over between parties via a 'Share' function.

9. The table below sets out the 7 Steps of the Oversight Assessment process which are managed and documented in elementAl.

Step	Areas of focus
Step 1 – Review Audit Team	• 1a – Audit Team Leader: Is the Lead Auditor appropriately qualified and trained as per ASI accreditation requirements? • 1b – Audit Team Competence: Is the audit team collectively appropriately qualified and trained as per ASI accreditation requirements? If other outsourced resources (such as technical support personnel, translators, ASI Registered Specialists or other consultants) have been used by the audit team, are these also appropriately qualified and experienced to assist the audit team?

Step	Areas of focus
	• 1c – Audit Team Conflicts: Was the audit team independent from the member and free of conflicts of interest?
Step 2 – Review Audit Scope	• 2a – Audit Details: Were the audit details (in the Detailed Audit Report) in conformance to ASI requirements as per the ASI Assurance Manual? • 2b – Audit Scope: Was the scope of the audit commensurate with the Entity's aspects, impacts, area of influence, products and services and key external stakeholders? • 2c – Audit Exclusions: Were there any applicable criteria excluded from the audit scope?
Step 3 – Review Audit Execution	• 3a – Audit Limitations or Not Complete: Were there any parts of the audit plan that were not completed by the auditor? • 3b – Audit Conflicts: Were there any unresolved conflicts, disputes or disagreements noted in the audit report that affected the Audit Scope or objectives? • 3c – Objective Evidence: Was an appropriate level of objective evidence sighted by the auditor?
Step 4 – Review Audit Findings	• 4a – Critical Breach: If one or more Critical Breaches have been identified, is the Auditor, ASI and Entity appropriately addressing this? • 4b – Major Non Conformance: Were all major non-conformance(s) adequately rated based on available objective evidence? • 4c – Minor Non Conformance: Were all minor non-conformance(s) adequately rated based on available objective evidence? • 4d – Conformance: Are all other conformance audit findings adequately rated in the audit report based on available objective evidence? • 4e – Not Applicable: Were all not applicables adequately justified in the audit report? • 4f – Corrective Action: Have all previous major non-conformances (if applicable) been adequately addressed through the implementation of corrective actions? • 4g – Certification Period: Based on the assessment in Step 4, is the recommended certification period appropriate? • 4h – Audit Outcome and Declaration: Does the report include a completed audit outcome and auditor declaration?
Step 5 – Review Publishable Information	• 5a – Public Headline Statements: Are the Public Headline Statements adequate for all applicable criteria? • 5b – Disclosure Hyperlinks: Do all relevant Public Headline Statements for the Performance Standard have hyperlinks (or other direct references) to external publications? • 5c – Certification Scope: Does the Certification Scope provide an adequate description of what is being ASI Certified? • 5d – Other Issue: Is there any other issue arising from the Oversight Assessment that has not been addressed through the above questions/fields?
When Steps 1 to 5 are Complete	• The Oversight Reviewer can share all ASI Queries with the ASI Accredited Auditing Firm, for their response via elementAl.

Step	Areas of focus
	• Once the ASI Accredited Auditing Firm has entered and shared back their Responses, these become visible to the ASI Secretariat in elementAl. • The Oversight Reviewer then reviews the Response/s. If they are satisfied with the Response/s, then they can close the item. If not, they can add a further query and/or clarify their query in the 'ASI Query' field. • Once all items are closed, the Oversight Reviewer can proceed to Step 6.
Step 6	• 6a – Summary of Actions Reviewed and Completed: The Oversight Reviewer documents any relevant information not already captured in the form for future data tracking. • 6b – Oversight Completed: Have Steps 1-5 been completed, and if applicable, all auditor responses received to ASI Queries (and relevant changes to elementAl) been reviewed and closed? • 6c – Records in Box: Has all related documentation not captured through elementAl been saved in the 'Box' folder for this Certification? These may include (but not be limited to) emails and additional files that accompany the oversight process and findings. • 6d – Public Summary Report Final Internal Check: Has the Public Summary Report been developed and been checked for any final typographical and formatting errors not already addressed during the Oversight process? • 6e – Public Summary Report Final Member Check: Share the final Public Summary Report with the ASI Member for final review. Ideally all information should have already been checked in advance of audit submission/finalisation, but sometimes Members notice final issues once the Certificate is generated. • 6f – Internal System Improvement Notes: Use this field to capture any system improvement ideas for ASI eg auditor/member training on new or repeat issues coming up in oversights, improved elementAl instructions that could address root cause of oversight issues, or other process improvements within ASI internal systems. These may be new ideas arising from this assessment, or recurring issues – even if processes such as training development are already in progress. There may be new aspects or ideas that should be considered.
Step 7	• 7a – Approval and Release: The Oversight Reviewer formally signs off the approval and release of the ASI Certification. The approval date is automatically logged in the record.

10. Responses to ASI Queries from Oversight Assessments are the responsibility of the ASI Accredited Auditing Firm, and may result in:

   • Minor or significant changes or updates to the Audit Report: these may include (but are not limited to) changes to names, grammar, additional context and information, and improvements to Public Headline Statements.
   • Changes to the overall audit outcomes to align with the ASI Assurance Manual: these may include (but are not limited to) clarification on the applicability of criteria, the appropriate

Certification Period for the audit findings, the appropriate next audit type and timing based on Overall Maturity Rating.

- Need for additional ASI Audit activities: these may include (but are not limited to) additional stakeholder interviews, desktop verification of relevant objective evidence, additional site sampling, or noting specific items for future Surveillance Audits.

11. Where not adequately carried out the ASI Accredited Auditing Firm, minor typographical, grammatical or other non-material changes to Public Headline Statements may be carried out by the Oversight Reviewer as part of Step 6d above.

- This may include non-Latin/Roman characters in names, places or hyperlinks that do not translate appropriately to a PDF or elementAl format.
- Where available and relevant, previous Audit Reports and ASI Certificates for the Member and/or Entity could be consulted to assist in identifying potential inconsistencies in the naming conventions of the Member and its Entities.

12. If Disclosure Hyperlinks need to be updated in future due to link changes, the ASI Secretariat may action this in liaison with the Member and ASI Accredited Auditing Firm.

5.5. Continual improvement

13. Analysis of data relating to Oversight Assessments (OA) is available in the Secretariat Dashboard in *elementAl.* Metrics include:

- Incidence reports by OA questions – to identify most common issues and address these through proactive mitigation
- ASI Queries relating to Public Headline Statements (5a) – to support calibration training and further guidance development
- ASI Queries relating to Disclosure Hyperlinks (5b) – to support calibration training and further guidance development
- ASI Queries relating to Other Issues – to identify any emerging issues
- Internal system improvement comments – to identify and prioritise improvement opportunities
- Timing data – elapsed time from Audit Report submission to Oversight Assessment commencing, and for the Oversight Assessment itself.

14. As part of ASI's Oversight Mechanism, the ASI Secretariat will regularly review this data and identify opportunities to continually improve and meet the objectives of this Procedure:

- Enhance rigour and consistency of ASI Audits
- Ensure ASI has an oversight process that is efficient, effective and scalable
- Use the oversight process to identify ongoing improvement opportunities in ASI's assurance system.

6. RECORDS

Records associated with Audit Report Oversight Assessments will be securely maintained in *elementAl* and Box by the ASI Secretariat for at least 10 years from the date the records were generated.

7. DOCUMENT CONTROL

Document Name	ASI Audit Report Oversight Assessment Procedure
Document ID	ASI-PRO-5
Revision	Version 3
Revision History	Version 1 – first version. Version 2 – updated to focus on practical steps and align with integration of oversight into elementAl. Version 3 – updated to refer to 'Outsourced Resources' in Definitions and section 9 step 1.
Publication Date	March 2021
Approved By	CEO
Next Review Date	3 years or as required

Please refer to the ASI Website for the latest version of this procedure.