



WIETA Risk Matrix & Audit Frequency

Audit Process and Methodology:

Annexure B

(November 2018 Version 2.1, and update of July 2017 version 2)

1. WIETA Ethical Performance Risk Matrix

Implementation to take place 1 August 2017

The WIETA Ethical Performance Risk Matrix has been developed to provide robust assurances of the management of risk in respect of the ethical performance at cellar and farm level with a wine supply chain. The programme subscribes to the following which can be used to mitigate and manage risk:

- Visibility of a supplier on the WIETA on line system
- Transparency allowing the supplier to share information on compliance status at the request of buyers
- Commitment to improvement – the supplier must demonstrate a commitment to improve on their conditions of work and the sustained fair treatment of workers. This includes the attendance to Producer Code Compliance and Worker Rights Training programmes.
- Of legal compliance levels and respect for the WIETA Code and continually provide information that supports this.

The programme subscribes to being improvement-led rather than audit-led and uses the WIETA Ethical Performance Risk Matrix to support this position. It creates five categories of risk - A, B, C, D and E where Category A the most stringent qualifying criteria. A WIETA member will be rated according to these risk categories.

Risk Classification	Risk Indicator	Risk Category	Audit Cycle
No Risk - Good Practice	A	NO RISK	3 years
Low Risk – Standard Practice	B	LOW RISK	2 years
Medium Risk – Compliant & Safe	C	MEDIUM RISK	1 years
High risk – Not compliant	D	HIGH RISK	Follow up audit within 1 year of audit in high season to verify all corrective actions

Very High risk – Not compliant	E	VERY HIGH RISK	Follow up audit within 1 year of audit in high season to verify all corrective actions
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The Programme also builds into the system a range of tools beyond the audit that if used in combination rather than isolation, will provide more extensive cover and management of risk between audits making the programme more robust. For example, the programme will involve various verification activities such as site visits and desk-top assessments that will take place between audits. In addition, all sites will be required to up-date and renew their SAQ on the WIETA On-Line system (www.ethicaltrade.co.za) on **an annual basis** part of which will include up-dating the improvement plan. This will be monitored on the WIETA online system. While the auditing may not be happening annually or every two years for Category A to C members, the measurement of compliance between the audits remains robust and in place.

The WIETA programme has identified various activities and actions that will be in place in order to mitigate and manage risk. Whilst the audit is an important component of this, it is the activities between audits that will support sustainable improvement. These are as follows:

1. Awareness-raising and Training

An informed supply base helps to manage risk through suppliers being made more aware of potential risks and means of mitigating this. Awareness-raising activities and training programmes should be in place and ongoing. WIETA provides funded, partially funded and low cost opportunities to involve site management and workers in ongoing training and refresher courses. Participation in these activities are deemed important and will be measured and included in a site's risk-rating.

Tools

These include participation in the WIETA programme Producer Compliance, Refresher Training & Worker training workshops; DVD's; Worker Labour and Health and Safety Toolkits, online training, the WIETA Benchmark with attached tools and resources, the WIETA Housing Guidelines, WIETA capacity-building and support programmes and materials; going on-line at www.ethicaltrade.co.za and hard copy publications etc.

2. Assessment (Measurement of risk)

Tools

- **Self-assessment** will be managed by the WIETA online system. Members are required to renew the SAQ on an annual basis. Failure to renew the SAQ on the on line system will result in the system classifying the member as inactive and therefore the system will not be able to issue certification on an annual basis. Once the SAQ has been completed and or verified annually, results of the SAQ will be measured against audits to ensure accuracy of the SAQ. Significant discrepancies between the information contained on the SAQ and the findings made during the audit will be taken into consideration when determining overall risk rating for the site which could, in turn, affect the audit frequency. Corrective actions identified by a member to correct non-compliances reflected in the SAQ will be monitored in the same way as corrective actions in an audit.
- **2nd & 3rd Party Assessment** – Visits to a supplier conducted by a retailer, exporter or importer, or Code body such as BSCI / SMETA can be monitored against WIETA audit reports.
- **WIETA audit – conducted by independent screened and trained auditors** where audit reports will be uploaded onto the on-line platform from November 2016 and will provide visibility and transparency to retailers, exporters, importers and the industry where the member gives access to the information on the platform. The audit will enable the site to reflect on its own ethical performance against the WIETA Code and the effectiveness of its own systems.
- **Risk Classification** – The on line system will automatically generate a rating on the audit report and certification, if granted, based on the number and severity of non-compliances and findings raised during the audit. This will in turn generate an automatic cycle of audit frequency of between one to three years.
- **Verification assessment**
 - Desktop – these will be conducted and reviewed by WIETA internal reviewers and the WIETA Accreditation Committee
 - Site visits – which are undertaken to provide visual verification of corrective actions done.

3. Follow up action

There are various tools that enable appropriate responses to the risk:

- **Corrective action plan (CAP) reports** – the member is required to submit improvement plans with evidence of corrective actions undertaken against all non-compliances in the audit report. All corrective actions for audits done on line from November 2016, must be submitted on line at www.ethicaltrade.co.za. The **WIETA on-line platform** will monitor progress in the completion of corrective actions and will include notifications of failure to complete corrective actions within agreed time frames.

- All corrective actions need to be undertaken within the agreed time frames of between 0 and 120 days.
 - The Corrective actions need to be uploaded online **within 4 months of audit**.
 - All evidence of corrective actions need to be submitted online **no later than 6 months** following the audit.
 - If the site is late with the on line submission of the corrective action plan, a site verification (unannounced spot check) will be undertaken to verify the corrective actions submitted with cost to the producer to be paid before issuing of certificates.
 - Following the unannounced site visit, where corrective actions are outstanding, the site is given ONE month to complete the corrective actions plan with evidence.
 - If evidence is not approved, one more month is given for resubmission, if not approved within one year of audit no certification is issued and the audit lapses.
 - If the plan is still not submitted, no certificate will be issued and the site will have to be re-audited
 - Note that certification needs to be issued **within one (1) year of audit date** to ensure that audits do not lapse.
 - Producers who do not agree to this policy will have their registration reviewed.
 - Should the producer agree to be re-audited and fail to submit the second audits corrective actions, the registration will be reviewed.
- **Continuous Improvement monitoring through the Corrective Action Report** – Improvement Plans and commitments in relation to this will be monitored on the on line system as with CAP reports and enable a tracking of improvement. Employment sites who are required to demonstrate continuous improvement can show ‘improvement’ on the on line system through updating outstanding corrective actions to their Continuous Corrective Action Plan, therefore reducing their risk rating. The WIETA audit methodology necessitates that a short term corrective action be uploaded, verified and approved for a non-compliance identified during audit. It is important for members to commit themselves to a process of continuous improvement and to recognise that the audit process form an integral part of this. To facilitate sustainability improvement auditees will be required, where long term corrective actions have been identified, to complete a continuous corrective actions plan and upload evidence to support actions taken in between the audit cycle. The initial Corrective Actions Plan and Continuous Corrective Actions Plan can however not guarantee full compliance of the site in between the audit cycle and it is imperative that the site has a robust internal compliance system that ensures regular checks and balances of its ethical performance.
 - **Zero Tolerances, Critical and Alert notifications** – Where Zero Tolerances are detected on farm, alert notifications will be sent by the auditor to WIETA. These alerts will identify any zero tolerances and critical non compliances observed on an employment site. Critical non compliances are defined in the WIETA Audit Process and Methodology, Alert Notification Policy document and Classification on Best Practice, Observation, Major, Minor and Critical Non-Compliances.

- **Participation in activities** classified as “improvement” activities which can be included on an Improvement plan, for example, specific skills training programmes that are designed to improve worker welfare in the workplace can be monitored and used to measure improvement.
- **WIETA Incidents and Violations Reporting Mechanism** - is a formal violations mechanism which is in place to receive complaints and deal with these in an appropriate and restorative manner.
- **WIETA Fair Labour Certification Seal**
The WIETA Fair Labour Certification Seal provide product assurances that wine within a specific vintage year has been fully traced to ensure that all the suppliers, the production cellar and bottling facilities have undertaken the WIETA audit and has committed to the WIETA certification process.

2. The WIETA Fair Labour Certification Seal

From 2018 harvest and the 2018 intake, any wine containing grape from sites who were audited after 1 August 2017 and whose audit report reflects a risk category D or E, will not be approved for the seal. For 2019 harvest only certificates with a rating A – C will be approved.

Seals will not be issued for producer/s or supplier/s who demonstrate any of the following risks:

- High to Very High Ethical Risk Certification Category D & E
- Audit lapse due to non-submission of evidence within required timeframes
- Any farm under investigation in terms of the Incidence Reporting & Violation Process
- Suspension of certification

Sites on the WS and WSB numbers for individual wine applications are now traced back to the point of **INTAKE of the grapes** into the tank. Implementation is effective retrospectively and traceability can be done back to 2015 harvest.

Wines will also have to meet the following criteria for approval:

ETHICAL STATUS TRACED BACK TO GRAPE INTAKE YEAR	SEAL CRITERIA FOR ASSESSING STATUS OF WIETA SITES ON WS or WSBs	EXCEPTIONS
2015	60% WIETA certified sites (certified by April of the intake year) – 40% audited on WS / WSB SAWIS trace	Certification need to be issued by and valid until 30 April 2015 to qualify for 60% Audits done must be valid (done from 1 October 2014 onwards)
2016	60% WIETA certified sites (certified by April of the intake year) – 40% audited on WS / WSB SAWIS trace	Certification need to be issued by and valid until 30 April 2016 to qualify for 60%

		Audits done must be valid (done from 1 October 2015 onwards)
2017	60% WIETA certified sites (certified by April of the intake year) – 40% audited on WS / WSB SAWIS trace	<p>Certification need to be issued by and valid until 30 April 2017 to qualify for 60%</p> <p>Any critical NCs in audit at time of intake not accepted for approval.</p> <p>Audits done must be valid (done from 1 October 2016 onwards)</p>
2018	80% WIETA certified sites – 20% audited on WS / WSB SAWIS trace	<p>For 2018 intake Certification need to be issued by and valid until 30 April 2018 to qualify for 80%</p> <p>For the 20%, no audits with a D or E rating will be excepted for the seal</p> <p>Audits done must be valid (done from 1 October 2017 onwards)</p>
2019	100% WIETA certified sites from WS / WSB SAWIS trace	<p>2019 intake Certification need to be issued by and valid until 30 April 2019 to qualify for 100%</p> <p>Audits done must be valid (done from 1 October 2018 onwards)</p>
2020	100% WIETA certified sites from WS/ WSB SAWIS trace	<p>2020 intake Certification need to be issued by and valid until 30 April 2020 to qualify for 100%</p>

3. Risk Matrix Table, Certification & Audit Frequency

WIETA Risk Matrix Determining Certification & Audit Frequency

Audit Report Category	Risk Category	Critical	Major	Minor	Action required	Next full audit	Certificate Risk Category
E	VERY HIGH RISK with monitored continuous improvement	1 or more	> 10	AND/ OR >25	<p>Submission of Corrective Action Plan online with evidence of completed corrective actions of critical within 1 month of audit and other NCs within 6 months of audit.</p> <p>A follow up audit to be conducted in high or medium season whereby all corrective actions to be verified and signed off.</p>	<p>All corrective actions will be verified through desktop verification and signed off by a follow up audit on all of the non-compliances identified. The full follow up audit to be done no later than 1 year from date of original audit. New non compliances can be raised during the follow up audit.</p> <p>If all corrective actions identified in the full audit are not signed off at the follow up audit, no certification will be issued and a full re-audit to be conducted.</p> <p>If all corrective actions identified in the full audit are signed off at the follow</p>	C 2 year audit cycle

						up audit, certification with a C Rating will be granted.	
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					<p>Submission of partial corrective actions</p>	<p>No sign off of Corrective Actions until CAs are signed off as per requirements set out for recognition of sign off of CAs. Where a CA for the critical is not submitted within 1 month, a site verification will be conducted to sign off the CA.</p> <p>All other corrective actions will be verified and signed off through desktop verification. The auditor at the full follow up audit to be done no later than <u>1 year</u> from date of original audit will conduct a visual verification of the corrective actions.</p>	<p>No certification</p>
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					<p>If CAs submitted later than 6 months site verification to verify corrective actions</p>	<p>Site verification conducted at cost of the site to close off CA's.</p> <p>A full follow up audit to be done no later than 1 year from date of original audit.</p>	
					<p>If no submission, audit lapse</p>	<p>Audit lapse with full re-audit – No certificate</p>	<p>No certification</p>
D	HIGH RISK with monitored continuous improvement	0	7 – 9 majors in areas of the code	<p>AND/ OR</p> <p>20 - 24</p>	<p>Submission of all corrective actions within timescales of 6 months after audit</p> <p>A follow up audit to be conducted in high or medium season whereby all corrective actions to be verified and signed off.</p>	<p>All corrective actions will be verified through desktop verification and signed off by a follow up audit on all of the non-compliances identified. The full follow up audit to be done no later than 1 year from date of original audit. New non compliances can be raised during the follow up audit.</p> <p>If all corrective actions identified in the full audit are not signed off at the</p>	<p>C</p> <p>2 year audit cycle</p>

						<p>follow up audit, no certification will be issued and a full re-audit to be conducted.</p> <p>If all corrective actions identified in the full audit are signed off at the follow up audit, certification with a C Rating will be granted.</p>	
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				Submission of partial corrective actions	<p>No sign off of Corrective Actions until CAs are signed off as per requirements set out for recognition of sign off of CAs.</p> <p>All corrective actions will be verified and signed off through desktop verification. The auditor at the full follow up audit to be done no later than <u>1 year</u> from date of original audit will conduct a visual verification of the corrective actions.</p>	
				If CAs submitted later than 6 months site verification to verify corrective actions	<p>Site verification conducted at cost of the site to close off CA's.</p> <p>A full follow up audit to be done no later than <u>1 year</u> from date of original audit.</p>	

					If no submission, audit lapse	Audit lapse and full re-audit required within 1 year	No Certification
C	MEDIUM RISK	0	4 – 6	AND/ OR 15 - 19	Submission of all corrective actions within timescales of 6 months after audit	All Non-compliances completed and corrective actions signed off - <u>2 year audit cycle</u>	C 2 year audit cycle
					Submission of partial corrective actions	No certification until CAs are signed off as per requirements set out for recognition of sign off of CAs	
					If CAs submitted later than 6 months site verification to verify corrective actions	No certification until CAs are signed off as per requirements set out for recognition of sign off of CAs	
					If not submitted, audit lapse	Full re audit required	No certification
B	LOW Risk	0	1- 3	AND/ OR 10 - 14	Submission of all corrective actions within timescales of 6 months after audit	All Non-compliances completed and corrective actions signed off – full audit 3 years from date of original audit	B 3 year audit cycle

					Submission of partial corrective actions	No certification until CAs are signed off as per requirements set out for recognition of sign off of CAs	
					If CAs submitted later than 6 months site verification to verify corrective actions	No certification until CAs are signed off as per requirements set out for recognition of sign off of CAs	
					If not submitted, audit lapse	Full re audit required	No certification
A	NO RISK	0	0	0-9	Submission of corrective actions within timescales of 6 months from audit	All non-compliances complete – full audit 3 years from date of original audit	A 3 year audit cycle
					Partial submission of corrective actions	No certification until CAs are signed off as per requirements set out for recognition of sign off of CAs	

					If CAs submitted later than 6 months site verification to verify corrective actions	No certification until CAs are signed off as per requirements set out for recognition of sign off of CAs	
					If not submitted, audit lapse	A full re-audit will be required	No certification