

Sedex Members Ethical Audit (SMETA) Supplementary Guidance for Assessing the Labour Standards of Workers Supplied by Private Employment Agencies

Pilot Terms of Reference – May 2014 - DRAFT

1. The Pilot Audit

- a. The pilot will be a full private employment agency audit as detailed in section 2.1 of the Guidance.
- b. There will be 3 UK based pilot audits on Private Employment Agencies that provide labour to suppliers of retailers taking part in this AAG Workgroup.
- c. The cost of each pilot will depend on the number of auditing days involved and will be subject to a specific quotation by the auditing company. Each auditing company has agreed to offer a discounted day rate for the pilot. The retailer members of the AAG workgroup have agreed to part fund the cost of the pilots. The remaining cost will be met by the Private Employment Agency.
- d. Private Employment Agencies should submit their interest to take part in the pilots to any of the AAG Workgroup Members by 30th May 2014.
- e. The AAG Workgroup Members will agree the Private Employment Agencies to be piloted by 13th June 2014.
- f. The pilots will be conducted and reports issued to the AAG workgroup by end September 2014.

2. Auditing Companies

- a. The auditing companies that will undertake the pilot will comply with the terms in this Pilot Terms of Reference.
- b. The auditing companies that will undertake the pilot are SGS; Bureau Veritas and KSSA.
- c. The auditing companies will ensure that auditors undertaking the pilot have the skills and competencies as detailed in section 1.6 of the Guidance.
- d. Each audit company will:
 - i. Conduct the Pilot strictly in accordance with Version 1 Draft 6 of the Sedex Members Ethical Audit (SMETA) Supplementary Guidance for Assessing the Labour Standards of Workers Supplied by Private Employment Agencies and the SMETA Best Practice Guidance (standard BPG).
 - ii. Where requested by the Private Employment Agency upload the audit report onto Sedex using Issue Titles
 - iii. Provide detailed track change feedback on Version 1 Draft 6 of the Guidance after conducting the audit.
 - iv. Prepare feedback
 1. Advising the AAG workgroup on any new recommended issue titles and criticality
 2. Advising the AAG workgroup on whether in their view the Guidance should remain a SMETA supplement or become a stand-alone document
 3. Advising the AAG workgroup on modifications required to the Pre-Audit Information Pack

4. Commenting on enhancements required to the Guidance to ensure that the protocol gets to the root cause and risk issues within Private Employment Agencies and enables the audited business to implement improvements to remedy and prevent issues identified.

3. Private Employment Agencies

- a. The Private Employment Agencies have volunteered to take part in the pilot through submitting their interest to any of the AAG Workgroup Members. Selection for the pilot will be agreed by the AAG Workgroup.
- b. The Private Employment Agencies own the pilot audit undertaken on their business.
- c. Each Private Employment Agency taking part in the pilot may declare to whom they so wish that they were one of the pilot organisations audited using the Sedex Members Ethical Audit (SMETA) Supplementary Guidance for Assessing the Labour Standards of Workers Supplied by Private Employment Agencies. However they must not misrepresent this audit by using misleading terms such as “Sedex certified” or “Sedex accredited” which are not allowed.
- d. The Private Employment Agencies declare that they will share the full audit report with the SMETA AAG Workgroup on Private Employment Agencies.
- e. The Private Employment Agency may determine whether or not it wishes the pilot audit report to be uploaded onto Sedex.
- f. Each Private Employment Agency will:
 - i. Provide detailed track change feedback on Version 1 Draft 6 of the Guidance.
 - ii. Comment on enhancements required to the Guidance to ensure that the protocol gets to the root cause and risk issues within the businesses audited and enables the audited business to implement improvements to remedy and prevent issues identified.

4. The AAG Workgroup

- a. Has agreed this terms of reference
- b. Will determine which Private Employment Agency volunteers will be selected to take part in the trial and by whom they will be audited
- c. Agrees to maintain confidentiality on all aspects relating to the outcome of the pilot on all the volunteer Private Employment Agencies.
- d. Are to ensure that any information made public is not traceable to any specific Private Employment Agency.
- e. Will determine the actions to be taken from the outcome of the pilot
- f. May be contacted by emailing david@alliancehr.co.uk.