

# APSCA'S ENHANCED FUNDING MODEL FUTURE-PROOFING THE PROFESSION

APSCA is future-proofing our profession with the launch of our 2030 Strategy.

The [strategy](#) will deliver real benefits to the global social compliance audit profession, building on our current focus of certifying auditors. This focus includes:

- Developing a pathway to attract new social compliance auditors.
- Enhanced user experience through improved practices, including the exam and training process, and facilitating greater Member engagement.
- Expanded global reach and influence for the social compliance profession, to enable input into key and emerging issues for government and civil society.

These extra benefits require a change in step for our organization.

New funding is critical to allow us to build the organization our profession needs and deserves and get on the front foot with all stakeholders, so we can face tomorrow's challenges with confidence.

## BACKGROUND

Successfully funded by Member Firms, APSCA has grown to become the professional standards body for Social Compliance Auditing, with our Members representing a substantial majority of the profession.

Our Member Auditors conducted more than 170,000+ Social Compliance Audits during 2022 and continue to enjoy the support of the largest brands and retailers in the world.

With our Board supported strategy in hand, now is the time for APSCA to move forward with the next steps to enhance the profession's global credibility.

## NEW FUNDING MODEL

As announced in September 2022, the implementation of our 2030 Strategy necessitates a new funding model which will be implemented in a phased approach to support our Member Firms through this new process.

### PHASE 1 - COMMENCING JULY 1, 2023

An APSCA fee per audit will be charged by Member Firms and submitted to APSCA monthly for Social Compliance Audits (including re-audits see definition (See Page 3). The programs and brands that are included are:

- amfori (BSCI)
- Sedex (SMETA)
- Social Accountability International/SAI (SA8000)
- Worldwide Responsible Accredited Production (WRAP).

The basis for the reporting will be through monthly reports from Member Firms with support and validation by Programs and Brands.

The fee will be added to the Social Compliance Invoice by reporting it as an APSCA fee, with supporting information noted as: "APSCA Social Compliance Audit Fee."

### PHASE 2 - COMMENCING OCTOBER 1, 2023

An APSCA fee per audit will be expanded to include all programs. APSCA will maintain a list on the [Member page](#) of our website, noting programs which have written to APSCA requesting and being accepted to opt out during the transition period.

### PHASE 3 - EFFECTIVE JANUARY 1, 2024

APSCA's Member Firm annual membership fee will migrate from a flat rate charge per firm, to a tiered approach depending upon membership category. Membership categories are determined by APSCA each August and are an ABC classification based upon the number of employed Certified Auditors (CSCA). Modeling has shown this will deliver the biggest benefit to Members, by ensuring fees reflect firm size and activity rather than a flat rate approach.

### PHASE 4 - EFFECTIVE JANUARY 1, 2025

The APSCA Member Firm Fee will remain tiered. A Social Compliance Audit Fee will be applicable to all audits which meet the definition of a Social Compliance Audit and/or re-audit/follow-up audit (see page 3).

## HOW IT WILL WORK

### PHASE 1- COMMENCING JULY 1, 2023

APSCA Membership fees will comprise:

Description	Price (USD)
Member Auditors	\$100
Member Firm	\$9,000
Social Compliance Audit Fee for select programs	\$15 per audit

### PHASE 2- COMMENCING OCTOBER 1, 2023

Description	Price (USD)
Social Compliance Audit Fee for all programs, except for those noted on APSCA's Member Page of <a href="#">website</a> .	\$15 per audit

### PHASE 3 – EFFECTIVE JANUARY 1, 2024

APSCA Membership fees will comprise:

Description	Price (USD)
Member Auditors	\$100
Member Firm	
A Category Firm	\$15,000
B Category Firm	\$12,000
C Category Firm	\$5,000
Social Compliance Audit (Fee)	\$15 per audit

### PHASE 4 - EFFECTIVE JANUARY 1, 2025

APSCA Membership fees will comprise:

Description	Price (USD)
Member Auditors	\$100
Member Firm (tiered approach)	
A Category Firm	\$15,000
B Category Firm	\$12,000
C Category Firm	\$5,000
Social Compliance Audit (Fee) Applicable to all Social Compliance Audits	\$15 per audit

## 1. Why are we making this change?

APSCA's current funding model has served the organization well during its initial growth stage. For APSCA to evolve to the next stage, address issues such as the emergence of HRDD legislation which obligates companies to advance practices and implement the agreed 2030 Strategy, it is vital the funding model be enhanced to support necessary growth which further enhances the global profession of social compliance auditing.

## 2. Who does this impact?

Commencing 2024, Member Firms will pay in alignment with their size within the social compliance auditing profession, reflective of the number of employed Certified Auditors (CSCA) they are associated with. Each Member Firm will also contribute reflective of the number of audits they complete per month. This change is equitable for all Members, ensuring fees reflect firm size and activity.

## 3. Which Social Compliance Audits attract the Audit Fee?

During 2023-2024, APSCA and Member Firms will work with clients to discuss the implementation of the APSCA Audit Fee for Social Compliance Audits. For audits carried out commencing July 1, 2023, the audit fee is applicable to Programs who have confirmed participation which include amfori, SA8000, Sedex, and WRAP

## 4. Will this lead to less reporting of audits, for Member Firms to reduce fees paid to APSCA?

APSCA will monitor the change based on previous audits reported by Member Firms. Reporting will be validated with reports received from the Programs. Discrepancies noted will be subject to investigation and possible sanction.

## 5. How will the additional funds be utilized?

The extra funds will support the implementation of APSCA's 2030 Strategy, which focuses on developing a pathway to attract new auditors to the profession, expanding auditor capacity globally. It also will enable an enhanced experience for all Members, including reviewing the exam and training process to deliver genuine productivity benefits.

External engagement will increase, focusing on influencing pending legislation which directly impacts on social compliance auditing and increasing market awareness and adoption.

These are just some of the many benefits of our 2030 Strategy – for more details please visit our [website](#).

## 6. What is APSCA's definition of a Social Compliance Audit?

A Social Compliance Audit is defined as a means of evaluating, measuring, understanding, and reporting an organization's social and ethical performance.

A social compliance audit requires consideration of each of the sections in the APSCA Competency Framework, with the capture and evaluation of sufficient evidential matter to assess performance relative to each section by an APSCA Certified Social Compliance Auditor ("CSCA").

Competent capture of sufficient evidential matter includes at a minimum:

- Observations of conditions in the facility, which include the work area and any other relevant areas
- Review of records processes, procedures and policies related to the [APSCA Code and Standards of Professional Conduct](#) sections
- Management interviews
- Worker interviews (workers include direct employees, contractors, temporary workers and all other persons on site)
- Triangulation of all information.

CSCA and Member Firms have the responsibility to ensure that appropriate time is spent on-site to competently achieve these tasks. The appropriate time is a function of many factors, including but not limited to the number of workers and physical size of the facility.

Industry standard practice indicates that effective consideration would generally require a minimum of one auditor day on site for small facilities (e.g. less than 100 workers), whereas for larger facilities with more workers, two or more auditor days will be required incrementally, based on the number of workers and the physical size of the facility.

**Included** within the APSCA definition of a Social Compliance Audit is:

- A **re-audit or follow-up audit** which is an audit that is conducted after an initial audit to assess whether corrective actions have been taken by an organization to address the non-compliances/ findings identified during the initial audit. The purpose of a re-audit or follow-up audit is to evaluate the effectiveness of the corrective actions taken and to verify that they have been implemented and are functioning as intended. Generally, a re-audit would include a facility tour, worker interviews and identification of additional non-compliances as well as closure of previous non-compliance.

**Not included** within the APSCA definition is desktop review, remote assessment or similar. See Use of APSCA Membership Number Document.

An APSCA fee will be added to invoices issued for audits that meet APSCA's definition of a social compliance audit

## 7. What are the next steps?

For audits conducted from July 1, 2023, APSCA will ask each firm to report by the third Friday of the following month the number of audits they completed by Program. Based on this information an invoice will be raised for each Member Firm monthly, payable within 30 days.

APSCA will conduct a validation process, with a report at the end of each quarter identifying discrepancies with adjustments in the invoicing if applicable.

## 8. We are a small firm, can we pay quarterly?

We recognize bank fees/ foreign currency exchange rates can become costly for our smaller Member Firms, especially when their monthly APSCA audit fee may be low. For Member Firms that have a monthly invoice of USD450 or less, payment can be combined with the following month, however invoices must be paid no less than quarterly. As with exam and membership fees, Member Firms have the option of paying via credit card or bank transfer

## 9. We are a larger firm, why should we pay more to subsidize smaller firms?

The new funding model aims to ensure equality among our Member Firms by ensuring APSCA fees reflect firm size and activity. This is a change from our previous flat rate approach.

To deliver our 2030 Strategy and realize all the benefits it offers, APSCA requires a more secure and equitable funding base that grows with our profession. Our new funding model will ensure all Member Auditors and Member Firms benefit, regardless of their size.

For additional questions, please email [director@theapsca.org](mailto:director@theapsca.org) or see our website [www.theapsca.org](http://www.theapsca.org)