



BECOMING AN APSCA MEMBER (FIRM)

This document outlines the prerequisites and application process for **APSCA Audit Firm** membership. It should be read in conjunction with the Membership Information document and the Membership (Firm) Application Form.

Only APSCA's Executive Board (the 'Board') has the authority to grant APSCA Membership.

The Director of Systems Management (the 'Director') working with the Member Services Manager will oversee the Membership Application process. The Director obtains reports from Blue Umbrella and an independent third party due diligence specialist (the 'Specialist') reviewing each Application.

APSCA will only grant and maintain membership to firms complying with APSCA's Code of Professional Conduct and Competency Framework, as well as the other conditions in the Membership (Firm) Application Form. If there are deficiencies in the policies, procedures, or other aspects of the Applicant's social compliance audit business that APSCA, in its discretion, considers minor, then APSCA may grant the Applicant provisional membership for up to twelve months to allow the Applicant to rectify those minor deficiencies.

Application Process:

- 1) The Applicant can either request an invoice for the Member Application Fee or lodge electronically a signed and dated Membership Application Form and attachments cited therein (the 'Application'), APSCA will deliver to the Applicant an invoice for the Initial Application Fee. The Application shall not proceed until that invoice is paid and all documentation has been received.
- 2) APSCA will summarily review the Application. If any error or omission is obvious, the Director may invite the Applicant to amend or add to that Application.
- 3) APSCA may appoint any third-party expert advisers (in addition to Blue Umbrella and the Specialist) that he or she chooses to evaluate each Application or any part of it.
- 4) APSCA will engage Blue Umbrella to conduct Due Diligence and provide a Report in respect of the following aspects of the Applicant and Application:
 - a) Business ownership, registered locations, operating structure, business license or equivalent within scope of applicable laws
 - b) Any other documentation required by local law or the office to be considered as an operating business
 - c) Information on the business license/ operational document matches the data provided by the applicant.
 - d) Individual named person check (mostly senior management/owner level)
 - e) Business practice review
 - f) Integrity checks – using publicly available information
 - g) Business reputation review
 - h) Litigation, regulatory and black list checks
- 5) The Director will provide copies of the Application (including attachments) and Blue Umbrella Due Diligence Report to the Specialist. The Specialist will review the Application, including conducting reference and background checks with clients of the Applicant and through publicly available information (including internet and social media). The Specialist may ask the Applicant for any clarification or further information or documents about the Application.

- 6) The Director shall inform all Member Firms (Provisional Members and Full Members) that the Applicant has applied for Membership. The Director may, upon request, provide those Member Firms with a summary of the Application and the Applicant's social compliance audit systems but shall not provide them with copies of the Application or any policies or procedures of the Applicant or any confidential information about the Applicant. The Director shall invite those Member Firms to comment in confidence, if they wish, within a period of thirty days about the Application and particularly their knowledge (if any) of the Applicant's compliance with the APSCA Code of Professional Conduct and Competency Framework. The Director may seek clarification or further information from any Member Firms commenting or from the Applicant. Those questions and responses may be in writing or may be the subject of telephone, teleconference, or face-to-face meetings. The Director may refer any comments to the Specialist for review. The Applicant will have the responsibility of verifying any response it has to any adverse comments about it or its Application and may be asked to submit a statutory declaration (or its equivalent in the Applicant's domicile) in respect of its Application and that response.
- 7) The Specialist will draft an interim report to APSCA identifying any deficiencies in the policies, procedures, or other aspects of the Applicant's social compliance audit business as disclosed by the Applicant and as revealed by the review process and any comments from Member Firms, defining them as minor or major. The Specialist will provide the Applicant with a draft of that interim report and consider any comments the Applicant makes upon that draft, amending the draft if necessary and resubmitting it to the Applicant. If there appears to be major deficiencies in the Application, the Applicant will have the responsibility of providing information demonstrating that the deficiencies have been closed or that they do not exist and may be asked to submit a statutory declaration (or its equivalent in the Applicant's domicile) in respect of its Application and any further information it has provided.
- 8) The Specialist will submit the interim report to APSCA.
- 9) Following any consultations between APSCA and the Specialist (and between the Specialist and the Applicant, including provision to the Applicant of any amendments from the interim report, if necessary), the Specialist will submit a final report to APSCA.
- 10) If the Specialist's final report includes any major deficiencies where the Applicant has not provided evidence to the satisfaction of the Specialist that it has rectified all major deficiencies by the date six months after the date of the Application (or such later date as APSCA's discretion allows), then the Application process will terminate.
- 11) If the Specialist's report identifies:
 - a) no deficiencies or only minor deficiencies: or
 - b) identifies major deficiencies and the Applicant provides evidence to the satisfaction of the Director (in consultation with the Specialist) that it has rectified all those major deficiencies by the date six months after the date of the Application (or such later date APSCA's discretion allows).
- 12) In considering each Application, APSCA may ask questions or seek further information or reports from the Specialist, the Applicant, or any other party. Those questions and responses may be in writing or may be the subject of telephone, teleconference, or face-to-face meetings. The Applicant will have the responsibility of verifying its answers and further information and may be asked to submit a statutory declaration (or its equivalent in the Applicant's domicile) in respect of its Application and any further information it has provided.
- 13) If APSCA amends any list of minor deficiencies, then they shall provide the amended list to the Applicant.
- 14) If APSCA resolves not to proceed with the Application, then the Director shall inform the Applicant of that resolution, along with any reasons.
 - a) If the Applicant accepts that resolution, then the Application process will terminate.
 - b) If the Applicant wishes APSCA to reconsider its Application, it may provide the Director with a written submission as to why APSCA should grant its Application. The Director shall review that submission and in consultation with the Specialist, (if the Director has elected), shall develop a recommendation whether to proceed with the Application. The Applicant will have the responsibility of verifying its submission, and may be asked to submit a statutory declaration (or its equivalent in the Applicant's domicile) in respect of its Application and the submission.

- c) This process may repeat until such time as the Applicant accepts a resolution by APSCA not to proceed with the Application or APSCA resolves not to accept any further submissions from the Applicant, in which event the Application process will terminate.
- 15) The Director shall provide the Specialist's final report and details of any Member Firm comments in confidence to the Executive Board (withholding the names of any commenting Member Firms who ask that their names be withheld, for reasons that the Director considers reasonable in all the circumstances), along with a recommendation as to whether APSCA should grant Membership to the Applicant.
- 16) In considering the Specialist's final report and Member Firm comments (if any), the Board may ask questions or seek further information or reports from the Director, the Specialist, the Applicant, the Member Firms commenting, other Member Firms, or any other party. Those questions and responses may be in writing or may be the subject of telephone, teleconference, or face-to-face meetings.
- 17) If the Board amends any minor deficiencies, then the Director shall provide the amended list to the Applicant.
- 18) If the Board rejects the Application, then the Director will inform the Applicant of that rejection, along with any reasons that the Board resolves should be provided to the Applicant.
- a) If the Applicant accepts that resolution, then the Application process will terminate.
- b) If the Applicant wishes the Board to reconsider its Application, it may provide the Director with a written submission as to why APSCA should grant its Application. The Director shall forward that submission to the Board (along with any report by the Specialist into the submission, if the Director has elected to obtain one), along with a recommendation as to whether APSCA should grant Membership to the Applicant. If the Board again rejects the Application, then the Director will inform the Applicant of that second rejection. The Application process will terminate.
- 19) If the Board resolves to grant Membership of APSCA to the Applicant, then the Applicant will immediately become a Provisional Member of APSCA. APSCA will promptly invoice the Applicant (New Member) Annual Fees for the balance of the calendar year. Membership fees for the initial period of Membership to 31 December that year are the same as the Fees as if the Member had been a Member for the full calendar year – for 2019 those fees are USD9,000.
- 20) The Applicant's (New Member's) Provisional Membership of APSCA will become Full Membership automatically when the Applicant (New Member):
- a) Executes APSCA's Code of Professional Conduct, Confidentiality Framework Agreement, and all other membership documentation and delivers them to the Director;
- b) Pays all Annual APSCA Membership Fees then due and payable;
- c) Employs and enrolled with APSCA at least one APSCA Certified Social Compliance Auditor (CSCA) or Registered Level Auditor (RA); and
- d) Rectifies all minor deficiencies identified during the Application process, to the satisfaction of the Director (in consultation with the Specialist, if the Director wishes),
- Provided the Applicant (New Member) employs the APSCA CSCA or RA within three months after being granted Provisional Membership, completes all other items within twelve months after being granted Provisional Membership, and is not otherwise in breach of APSCA's Code of Professional Conduct, Competency Framework, or By-laws.
- 21) If the Applicant (New Member) has not employed at least one APSCA CSCA or RA at the expiration of three months after being granted Provisional Membership, the Applicant's Provisional Membership will automatically be suspended.
- 22) If the Applicant's (New Member's) Provisional Membership has not become Full Membership before the expiration of twelve months after being granted, the provisional Membership will be automatically terminated.

Membership Fees

Activity	Fee (USD)
Initial Application Fee	6,000
2019 Membership Fees (Firm)	9,000
2019 Membership Fees (Auditor)	100

The Initial Application Fee includes APSCA's estimates of the Blue Umbrella fees, the Specialist's fees, and APSCA's administrative costs incurred in processing ordinary Applications.

Additional Application Fees: If the time expended or costs incurred by APSCA (Blue Umbrella, the Specialist or anyone else advising the Director or acting on APSCA's behalf) exceed those budgeted for an ordinary Application, then APSCA may from time to time invoice additional Application Fees to the Applicant. APSCA may suspend an Application process until any outstanding invoices are paid. Applications shall not be submitted to the Board if any fees due by the Applicant to APSCA remain unpaid.

All Fees paid to APSCA are non-refundable in all circumstances.

Application Errors or Omissions

Pursuant to ByLaw 2.6, the Executive Board has resolved that APSCA may withdraw, suspend, or terminate any Application or Membership (Provisional or Full) if the Application for Membership is found to have contained any material errors or omissions or to have been misleading in any material way.

Withdrawal of Application

The Applicant may withdraw an Application at any time before a grant of APSCA Membership by written notice to APSCA, thereby immediately terminating the Application process. Upon the Applicant's request, APSCA will promptly return or destroy (including deleting from its computer systems) all documentation received from the Applicant in respect of the Application, so far as is reasonably practicable.

Confidentiality:

During and after the application process, APSCA will take all reasonable measures to maintain the strict confidentiality of each Application, along with any confidential information the Applicant provides APSCA or anyone acting on APSCA's behalf from time to time. APSCA will only disclose that information to third parties reviewing that Application on APSCA's behalf who have undertaken to APSCA to maintain that confidentiality.

Subsequent Applications:

In any circumstances in which an Application or Membership is terminated, the Applicant or Member may later submit a new Application for Membership, if it wishes.