



UNIFIED AUDIT CYCLE: ITS IMPORTANCE AND MAIN CHALLENGES

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mensagens-chave

- ✓ It is important to promote and underpin the unified cycle so the criteria and guidelines that regulate the TAC and Public Commitment signatories are standardized. Through this unification, the meatpackers' performance can be analysed more fully, improving the process in a concerted effort.
- ✓ The greatest hurdle is to establish the unified audit cycle as a rite on a continuous basis and with predefined periods for collecting, preparing and making information and data available. This will enhance the performance comparison process of companies operating in different contexts and regions, based on a time scale.

Since the launch of the Audit Protocol for the Monitoring of Cattle Suppliers in the Amazon in November 2021, several training workshops have been held for meatpackers that operate in the Amazon, and audit companies. The document sets out the guidelines used to verify the Terms of Adjustment of Conduct (TAC) of the states of Acre, Amazonas, Mato Grosso, Pará and Rondônia, the Beef TAC program, as well as the Public Livestock Commitment, and is fully aligned with the criteria of the Protocol for Monitoring Cattle Suppliers in the Amazon (PMCSA).

The Audit Program was implemented in 2022 with the mission of organising the unified cycle of audits in the meatpackers that signed the

TAC and the Public Livestock Commitment. This program involves primarily six stages:

1. Obtaining and preparing databases
2. Communicating with the signatory companies via a letter from the Federal Public Prosecutor's Office
3. Distributing the databases to the audit firms
4. Setting up the audits
5. Performing checks and reporting to the Prosecutor's Office
6. Analysing and publishing results

In all, 28 companies are participating in this cycle, totalling 60 meatpacking plants in the five states mentioned above. The expectation is for this first unified cycle to end in the first half of 2023 and the results to be published by June.



IMPORTANCE OF THE UNIFIED CYCLE IN THE PERCEPTION OF STAKEHOLDERS

In the training workshops held throughout 2022 for the meatpackers, the attendees unanimously agreed that the unified auditing program is important and requires very clear and necessary rules. According to one of the interviewees, and a representative of civil society, the importance of the unified cycle, as the name suggests, lies in the unification and standardisation of the criteria and guidelines that the TAC and Public Commitment signatories must abide by. Previously, the companies in each state of the Legal Amazon followed their own rules and the standards established by the Public Prosecutor's Offices, when no determination was available, including different audit frequency and periods. At the end of this process, the performances presented were very different, which made a comparative analysis between processing plants difficult or impossible and, as such, could not be used to improve the process in a collective way.

According to a representative of the signatory meatpackers, it is important to ensure the uniformity of the checking processes of different

companies in the sector so the results can be compared. For the company, the unified auditing cycle generates gains in project efficiency, budgets and in demand management and teams. The public prosecutor's representative, in turn, pointed out that, based on the new protocol, the auditors should analyse the compliance of the purchases made by meatpackers and the management systems used by the companies. Possible weaknesses and inconsistencies can then be pinpointed so that robust actions can and should be implemented in the next cycles. In addition, the Prosecutor stated that non-compliant purchases can be justified, eliminating possible distortions.

With basis on the audit program, the intention is to bolster the TAC by not only encouraging new companies to join but also to offer qualified information that will help in the decision making of the consumer markets, which are looking for suppliers more committed to the socio-environmental agenda. Based on this, the participants of the training workshops stated that the role of the Public Prosecutor's Office is crucial because it ensures that meat-packing plants operating illegally are held accountable, become regularised and sign the TAC, but it also recognises the efforts and performances of the companies that have met the commitments.



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Acknowledgements

The perceptions set out in this document were recorded from interviews with representatives of the Public Prosecutor's Office, the meatpackers and civil society.

References

Imaflora (2021). Protocolo de Auditoria dos Compromissos da Pecuária na Amazônia [Protocol for the Monitoring of Cattle Suppliers in the Amazon]. Available at: https://www.beefontrack.org/public/media/arquivos/1653932196-completo_protocolo_de_auditoria-portugues_-_boi_na_linha_-_imaflora_-_060-8088_-_alt6_web.pdf



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