

**RSPO**

Roundtable on Sustainable Palm Oil

# Challenges in auditing Social Criteria

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## Outline of presentation

- The Nature of Social Auditing
- Methodology of Social Auditing
- Challenges in auditing Social Criteria
- Step Forward

## The Nature of Social Auditing

- Social auditing - process of assessing and reporting a business's performance on fulfilling the economic, legal, ethical, and corporate social responsibilities expected of by its stakeholders.

(employees, customers, investors, suppliers, community members, activists, the media, and regulators)

- Social audits - Tools that companies can employ to identify and measure their progress and challenges to stakeholders.

## Methodology of Social Auditing

- Collecting information from stakeholders (representing different interested parties)
- Verifying information gathered from stakeholders...
- Use appropriate skill to gather information (e.g.: open ended questions)
- Make appropriate conclusion....

## Challenges in auditing Social Criteria

- **Time limitation to meet stakeholders:**

- Far / Interior location – distance/ transport
- Follow local customs (to drink and eat at their house)
- Waiting for stakeholder – not punctual / delay
- Postpone / cancel appointments upon arrival
- Verifying the issues highlighted by stakeholder with management team – defensive approach
- Resolving diverging opinions – to seek experts advices
- The availability and reliability of public documents and data

## Challenges in auditing Social Criteria

- **Authority / Regulatory Personnel:**

- Unavailability (most of the cases)
- Unwillingness to meet
- Diverging opinion on regulatory issues – among officers
- No response for emails / enquiries / notifications prior to audit
- Postpone / cancel appointments upon arrival – waste of time
- Waiting for the arrival – most of the cases – too long.

## Challenges in auditing Social Criteria

- **External Stakeholder:**

- Different interpretation and lack of evidence – challenges in decision making
- Stakeholder take advantage - request/discuss personal matters
- Language barrier – local dialect, foreign language
- Not comfortable to be interviewed
- Cultural difference - greetings/ body language

## Challenges in auditing Social Criteria

- **Internal stakeholder:**

- Unwillingness to share the truth ( worried job security)
- Foreign workers – Union – Immigration Regulation (restricted from joining) / but Trade union Act & Labour Law allows.
- Difficulty to meet contractors and their workers
- Identifying force labour – different opinion among workers & Union
- Gender issues - unwillingness to share

## Step Forward

- Stakeholder's could help in providing feedback before audit.
- Contact details available on RSPO website - highlight any issues of concern.
- RSPO should conduct regular refresher trainings for social auditors to discuss and update latest issues.
- Clear sampling method for social audit by RSPO.
- Database for capturing updated continuous (official and unofficial) information from stakeholders/scheme owner acceptable by everyone.

**Thank you...**