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

**Internal stakeholder:**
- Unwillingness to share the truth (worried job security)
- 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...