Standards for the Knowledge and Skills of Social Auditors
October 2009

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FOREWORD

After more than a year of research and public consultation and dialogue, Verité and CREA are releasing the Standards for the Knowledge and Skills of Social Auditors, which provide a benchmark to assist social auditor training organizations to identify what social auditors should know at the foundational level. The Social Auditor Standards Program, sponsored by the US Department of State's Office of International Labor Affairs and Corporate Social Responsibility, developed these standards through the use of research, surveys, interviews, and multi-stakeholder dialogue and engagement processes. These Standards comprise Stage I of the Program, while Stage II will focus on issues related to teaching and testing of these standards, and Stage III will center on dialogue to create recommendations for institutionalization of the standards.

These Standards for the Knowledge and Skills of Social Auditors will be revised periodically as conditions change, and to incorporate corrections and improvements received from interested parties. To comment on the Standards for the Knowledge and Skills of Social Auditors, please send written remarks to Verité and CREA at the contact information indicated below.

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I. PURPOSE AND SCOPE

The intent of the Standards for the Knowledge and Skills of Social Auditors is to provide guidance to social auditing training institutions and a foundation for social auditor knowledge and activity. Social auditor training institutions will use these standards to bring consistency and rigor to their certification programs. Training programs and their graduates will be evaluated based in part on whether they meet the criteria embodied in these standards.

These Standards include terminology that has been commonly used in social auditing for the sake of simplicity and transferability. It is recognized that the terms "social" and "labor" are often confused. "Social auditor" is used in very different contexts, ranging from an auditor analyzing labor conditions in factories to broader rights issues outside the work environment, such as ethical trading, fair trading, and global standards applying to specific agricultural and forestry products. In these standards, social auditing is defined as auditing that focuses on the treatment and circumstances of workers.

The Standards in this document refer to the foundational Knowledge and Skills required to perform an assessment, audit, or evaluation of labor conditions regardless of sector, operation, location, or position within a value chain. The Standards recognize that specific industries may require additional skills above and beyond the scope of these foundational standards. These skills are outlined by the Knowledge and Skills in this document, such as those for specific conditions (e.g. dispute, work stoppage, strike, etc.), within specific scopes of work (e.g. worker needs analysis, off site impact, off farm conditions, etc.), or in additional areas of evaluation (e.g. retrenchment, indigenous peoples, environmental considerations, and wage and economic impact assessments). It is also important to recognize that social auditors may be limited by the audit tools required by the brand, company, or organization; the time allowed for a specific audit; the reporting format that is required to use; and the presence or absence of a corrective action plan format.

These foundational social auditor standards define a minimum level of proficiency, and are not intended to establish standards for higher proficiency levels of social auditing. Although mastery can only come from advanced training and experience, foundational social auditor curricula can highlight illustrative examples of social auditing processes and issues. The social auditing curricula are expected to introduce and reflect the complexity of each social auditing topic. Over time, others may create more advanced social auditor standards and standards for specialized audits by industry.

Certain social issues, including discrimination in any form and gender awareness, are so essential to an understanding of social auditing that they cut across most knowledge and skill areas. The social auditor must have knowledge and sensitivity regarding the various types of discrimination that can exist (age, race, sexual orientation, nationality, etc.) and examine his or her own attitudes and sensitivities regarding these issues. Rather than creating separate sections on discrimination and gender issues, we highlight the specific knowledge and skills needed in each topic section as they pertain specifically to discrimination and gender.

These Knowledge and Skills Standards do not endorse one training curriculum or social auditor training institution; rather they are available to all, thus ensuring transparency and consistency of social auditor knowledge and skills. Key requirements are defined herein, and social auditing training institutions are encouraged to develop detailed implementation steps for creating training programs around these standards.

This Standards document represents Stage I of the Social Auditor Standards Program. During the second stage, we are soliciting and articulating approaches about how to best teach and test this complexity. Stage III will center on dialogue to create recommendations for institutionalization of the standards.

The Standards are presented here in two major categories: Essential Knowledge and Essential Skills. The first category identifies and describes the nature of social auditing knowledge required for a social auditor. The second category describes the skills and competencies necessary for a social auditor, including relevant personal standards. Finally, additional standards are presented that are considered desirable, although not essential.

The appendices provide background information regarding the scope of the Social Auditor Standards Program, the referenced publications, the process and timeline, a brief description of the principal organizations contracted by the United States Department of State to conduct the program, and a dictionary of terms.

II. ESSENTIAL KNOWLEDGE STANDARDS (EK)

Essential knowledge for social auditors refers to knowledge applicable in the field that is relevant to the task at hand including knowledge of standards, laws and regulations at the national and international level, and all appropriate forms, processes and modalities. This Essential Knowledge Standards section lists the international and national laws, regulations, and standards related to labor and health & safety, as well as the essential auditor knowledge required for a foundational social auditor course.

1. **Labor Standards, Laws, and Regulations**

   1.1. **International labor standards related to the UN Declaration of Human Rights and ILO Core Conventions:**
   1.1.1. ILO Convention C29 - Forced Labor
   1.1.2. ILO Convention C87 - Freedom of Association and Right to Organize
   1.1.3. ILO Convention C98 - Right to Organize and Collective Bargaining Convention
   1.1.4. ILO Convention C100 - Equal Remuneration
   1.1.5. ILO Convention C105 - Abolition of Forced Labor
   1.1.6. ILO Convention C111 - Discrimination
   1.1.7. ILO Convention C138 - Minimum Age
   1.1.8. ILO Convention C182 - Worst Forms of Child Labor
   1.1.9. Other conventions may apply to audit object and geographic area, if not covered by local laws.

   1.2. **National/regional employment laws, standards, and regulations including:**
   1.2.1. Wages, overtime, bonuses, seniority, leave, holiday calculations, rest periods, productivity incentives, resignation, and termination;
   1.2.2. Deductions, including insurance schemes and applicability of local law, understanding of living wage, and noncash payments;
   1.2.3. Worker contracts, including contracts for foreign workers, temporary workers, other contracted workers, apprenticeships, and job training programs;
   1.2.4. Worker housing and other facilities, such as canteens;
   1.2.5. Gender issues, parental leave, gender-related work accommodations and benefits, and child care.

   1.3. **National/regional labor laws and regulations on:**
   1.3.1. Child Labor;
   1.3.2. Cultural/Ethnic/Indigenous Populations;
   1.3.3. Discipline/Termination;
   1.3.4. Discrimination;
   1.3.5. Forced Labor;
   1.3.6. Harassment and Abuse - including gender-based abuse and sexual harassment;
   1.3.7. Union Rights and Freedom of Association – including union restrictions and the right to collective bargaining.

2. Health and Safety Standards

2.1. Occupational Health and Safety (OHS) management and systems including:
   2.1.1. OHS policy;
   2.1.2. OHS responsibility and competency definition, assignment, and training;
   2.1.3. OHS hazard/risk assessment, minimization, and controls;
   2.1.4. Emergency response procedures and systems;
   2.1.5. Conformance with legal and regulatory standard requirements;
   2.1.6. OHS objectives, targets, performance metrics, evaluation/investigation/analysis, and improvement;
   2.1.7. OHS communication, awareness, and consultation;
   2.1.8. OHS records and documentation.

2.2. Worksite hazards, including:
   2.2.1. Physical hazards, including noise, vibration, electricity, light, pressure, radiation, temperature, and carrying capacity;
   2.2.2. Chemical hazards, including corrosivity, reactivity, fire, conflagration and explosion, and toxicity;
   2.2.3. Biological hazards;
   2.2.4. Musculoskeletal hazards, including ergonomics;
   2.2.5. Psychosocial hazards including work-related stress, violence, and trauma.

3. Essential Auditing Knowledge

3.1. The production environment, production processes, and systems.

3.2. Management systems (productivity, environmental, quality) and practices for social compliance, which vary by industry.
   3.2.1. Knowledge of government forms/receipts showing payment of payroll tax and benefits contributions.

3.3. Common compliance issues existing in commonly audited industries.
   3.3.1. Socio-cultural and gender differences in compliance approaches.
   3.3.2. In-country Freedom of Association issues including: collective bargaining processes, non-union forms of worker organizations, elections, legal status, typical worker grievance mechanisms, and common forms of interfering with freedom of association.
   3.3.3. Gender-related issues such as requiring proof of non-pregnancy, standing requirements, rest periods, and work termination due to pregnancy.

3.4. Common compliance issues existing in specific geographic regions.

3.5. General client requirements regarding social audit implementation.
   3.5.1. The difference between generic and social auditing goals and competencies.
   3.5.2. The difference between announced and unannounced audits.

3.6. The obtaining and synthesizing of information.
Obtaining and synthesizing information pertains to all areas within the scope of an audit against the reference standards. It includes an understanding of the difference between fact and inference, and that only facts can be used to substantiate an audit finding.

3.6.1. Document review and visual inspection techniques.
    3.6.1.1.   Common methods of document manipulation.
    3.6.1.2.   Triangulation to cross-check collected information.

3.6.2. Best practices in gathering information from workers, including the following:
    3.6.2.1.   Interviewing techniques;
    3.6.2.2.   Worker sampling methods that best represent both the workers and the working conditions in the factory;
    3.6.2.3.   Suitability of group vs. individual interviews according to cultural circumstances.
    3.6.2.4.   The conducting of off-site worker interviews;
    3.6.2.5.   Recognition of methods of worker coaching and intimidation.

3.6.3. Practical application of social, cultural, and gender dynamics of worker communities in the conduct of an audit.

3.6.4. Ability to communicate effectively with managers, administration, and workers as applied to the local context.

III. ESSENTIAL AUDITING SKILLS STANDARDS (ES)

Essential auditing skills for social auditors refers to skills required for a foundational social auditor course including auditing skills, communication and inter-personal relation skills, and personal standards. The Social Auditor should possess the following social auditing skills:

1. Scope and plan an audit, including but not limited to launching the audit request, managing pre-audit activities, and scoping of audit and audit criteria.

2. Report fully on information gathered through written report.
    2.1. Use common social auditing reporting formats and technologies, and
    2.2. Use violation and grading matrices correctly.

3. Plan for and adjust to differing skill sets of the audit team members and synthesize perspectives of team members as appropriate.

4. Communicate clearly and confidently with all parties in an appropriate language/dialect, particularly regarding informational needs.
    4.1. Use of professional translators not associated with factory management.

5. Conduct a physical inspection of production facilities and grounds.

6. Conduct the audit without drawing excessive attention or disrupting business processes.

7. Analyze factory records relevant to compensation and work hours.

8. Engage workers by interviewing skillfully and managing worker expectations.

9. Determine credibility of information, whether the factory is adhering to policies and procedures, and verify allegations derived from other sources.

10. Able to keep relevant information confidential, especially to protect the well-being of workers and to comply with any confidentiality agreements.

11. Able to secure management buy-in to next steps, as/when required, including:
    11.1. Identify when not to disclose violations in the closing meeting,
    11.2. Articulate benefits of expected outcomes if required by client, and
    11.3. Confront management when faced with inconsistent findings.

12. Communicate well both orally and in written form at all business levels and articulate findings in direct relation to legal and code standards.

13. Advise on ways to resolve noncompliance in practical ways that meet legal and code requirements.

The Social Auditor should possess the following essential communication and inter-personal relation skills (ECS):

1. Sensitivity to gender, racial, cultural, and socio-economic issues.

2. Ability to deal sensitively and discreetly with people from different backgrounds and to make them feel at ease.

3. Ability to adapt communications to the situation.

4. Possession of effective listening skills and awareness of non-verbal communication.

5. Ability to interact effectively with workers as well as management.

6. Ability to probe effectively and discern risk.

7. Maintenance of a professional demeanor.

8. Ability to lead discussions and to handle issues of conflict as they arise while maintaining composure and showing respect for all parties.

9. Dressing professionally and appropriately for the worksite.

The Social Auditor should possess the following personal standards. (EPS)

The social auditor is expected to function in accordance with the following personal and professional standards:

1. Strong personal code of professional standards including:
   1.1. Protecting workers from retribution;
   1.2. Avoidance of conflicts of interest;
   1.3. Avoidance of gifts, bribes, and favors.

2. Perceptiveness and tenaciousness, with strong investigative and analytical skills.

3. Honesty, trustworthiness and diplomacy, and ability to maintain independence from special interests.

4. Open-mindedness, reasonableness, and objectivity.

5. Self-reliance, with ability to interact effectively with others and share data to arrive at mutual conclusions.

6. Ability to take a leadership role, particularly in problematic or unanticipated situations.

7. Strong planning, organizational, and time management skills.

8. Ability to make decisions based on objective and verifiable evidence.

IV. DESIRABLE BUT NOT ESSENTIAL KNOWLEDGE AND SKILLS

The following knowledge and skills were considered desirable by stakeholders and should also be considered as important components of a foundational social auditor certification course.

1. **Desirable but not Essential Social Auditor Knowledge (DK):**
   1.1. Content and purposes of codes of conduct;
   1.2. Types of social code audits, e.g. first, second, and third-party audits;
   1.3. Basic knowledge of ISO, EMAS, and BSI standards;
   1.4. Brand sourcing practices;
   1.5. How employer and industrial associations operate.

2. **Desirable but not Essential Social Auditor Skills (DS):**
   2.1. Gather information from local unions;
   2.2. Access and use information from local, national, regional, and global NGOs;
   2.3. Gather information from government bodies and officials;
   2.4. Use instruments to test conditions, e.g. decibel levels.

APPENDICES

REFERENCED PUBLICATIONS

In addition to stakeholder feedback through various methods, CREA and Verité have examined and used existing accreditation schemes where appropriate, recognizing that significant work has already been done to bring consistency to the field of social auditing. These Recommended Standards were informed by:

AA1000 Assurance Standard 2008

Board of Environmental, Health & Safety Auditor Certifications (BEAC), Standards for the Professional Practice of EHS Auditing

GRI, Sustainability Reporting Guidelines, 2006

Global Supply Chain Programme (GSCP) documents

ILO publications on labor inspection and Core Conventions

IRCA Certification as a Social Systems Auditor: Criteria for Certification as a Social Systems Auditor, 2008

ISEAL Code of Good Practice and Guidance for Setting Social and Environmental Standards, Draft Version July 2009

Practice of Environmental, Health and Safety Auditing, 1999

Sedex Members Ethical Trade Audit (SMETA) Guide to Social Systems Auditor Competencies

Social Accountability International standards and publications

Social Accountability Accreditation Services standards and publications

DICTIONARY OF TERMS[1]

Audit: An examination of the records, statements, systems, and procedures of an organization together with its stated claims for performance. This is typically undertaken with a view to verifying the quality, meaningfulness (e.g., accuracy, validity, compliance, inclusiveness, completeness), and other aspects of the claimed performance of the organization.

Audit Report: A testimony produced by an auditor regarding the quality and meaningfulness of an organization's records, statements, systems, and procedures, as well as stated claims for performance. May also include an opinion on areas for improvement and predicted future progress.

Auditor: Person who conducts an audit, often certified by a professional body or licensed under statute. The auditor may be internal (employed by the organization) or external (unconnected to the organization).

Baseline: A starting point against which future changes are compared. Used for benchmarking.

Code of Conduct: A set of principles indicating how an organization expects its members to act. It is frequently general, and enforcement is left to the discretion of the organization.

Compliance: The act or process of fulfilling internal or external requirements as set forward in policies, regulations, or guidelines.

Consensus: General agreement, characterized by the absence of sustained opposition to substantial issues by any important part of the concerned interests and by a process seeking to take into account the views of interested parties, particularly those directly affected, and to reconcile any conflicting arguments. NOTE - Consensus need not imply unanimity (based on ISO/IEC Guide 2:2004)

Fair Trade: A trading relationship based on commitment to social justice in which employees and producers are treated and paid in a fair manner, sustainable environmental practices are followed, and long-term trade relationships are fostered.

Internal Audit: An independent appraisal of operations, conducted under the direction of organizational management, to assess the effectiveness of internal administrative and accounting controls and help ensure conformance with managerial policies.

Internal Auditor: A person employed within an organization who conducts an internal audit. The internal auditor is generally independent of management and reports directly to the board of directors.

Knowledge Objectives: Identify and describe the nature of social auditing training standards.

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[1] Definitions of social auditing terms have been compiled from stakeholder dialogue as well as SEEP and ISEAL documents. See Social Performance glossary from SEEP at http://www.seepnetwork.org/content/library/detail/4728 and ISEAL Code of Good Practice Definitions at http://www.isealalliance.org/document/docWindow.cfm?fuseaction=document.viewDocument&documentid=220&documentFormatId=1282

Non-governmental Organization (NGO): A non-profit group or association organized outside of institutionalized political structures to realize particular social objectives or serve particular constituencies. Its activities include program operation, service delivery, research, information distribution, training, local organization, and community service, as well as legal advocacy, lobbying for legislative or social change, and civil disobedience.

Skill Objectives: Demonstrate skill and competency training standards necessary for social auditors.

Social Audit: An examination of the records, statements, internal processes, and procedures of an organization related to its social performance. It is undertaken with a view to providing assurance as to the quality and meaningfulness of the organization's claimed social performance.

Social Auditing: Examination of the records, internal processes, and procedures of an organization related to its social performance in order to provide assurance about the quality and meaningfulness of the organization's social performance.

Social Auditor: A broad professional practice involving the application of knowledge and skill to assist factories to certify their worksites are fair and equitable.

Socio-cultural: Concerned with the social and cultural practices, beliefs and traditions within a particular society.

Stakeholder: a person or organization with a vested interest in the successful operation of a company, organization, or process.

Standard: Document that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking, or labeling requirements as they apply to a product, process or production method.

ABOUT THE SOCIAL AUDITOR STANDARDS PROJECT

Verité and CREA are facilitating a process to further the development of standards for the knowledge, skills, and competencies of social auditors with the financial support of the US Department of State's Office of International Labor Affairs and Corporate Social Responsibility. The project promotes dialogue among stakeholders on social auditor standards through surveys, a wiki, conferences, and meetings with the goal of developing a comprehensive set of training standards for the knowledge and skills of social auditors. The Project has several steps, including identifying the essential components of draft standards through a stakeholder survey, dialogue on those standards via a wiki and face-to-face meetings, development of draft standards and pilot testing of training standards with training institutions, and dialogue and recommendations for institutionalization of the standards. These steps are show below.

Identify essentials of draft standard with survey → Dialogue on standards via wiki and face to face meetings → Draft Standards and pilot test with training institutions → Dialogue and recommendations for institutionalization of standards → Comprehensive set of training standards for knowledge and skills of social auditors
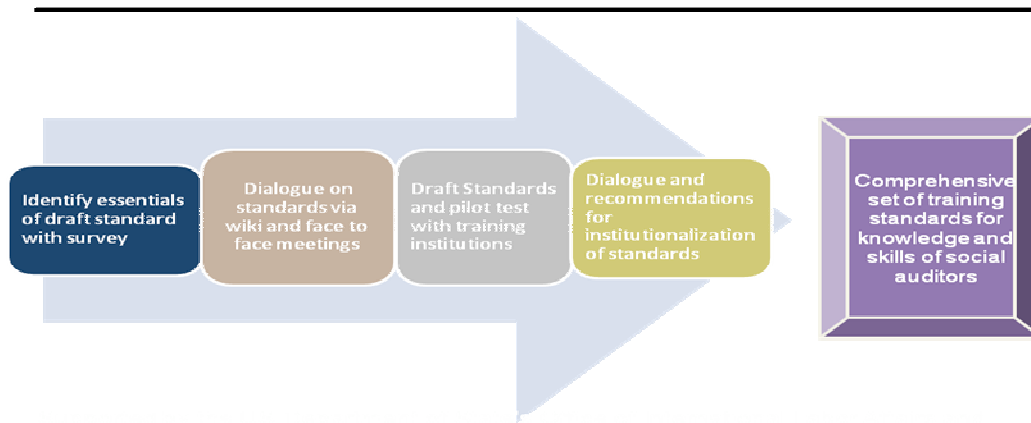
CREA- Verité Social Auditor Training Standards Project

ABOUT VERITÉ

Verité is an independent, not-for-profit social auditing, research, and training organization based in Amherst, Massachusetts, USA. Verité's mission is to ensure that people worldwide work under safe, fair and legal conditions. Since 1995, Verité has conducted over 2,000 factory evaluations and assessments for multinational corporations and local suppliers in 60 countries; numerous factory-based management training and worker education programs in Asia, Latin America and the Middle East; and research for socially concerned investors worldwide. For more information about Verité, please visit our website or contact us at:

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ABOUT CREA

CREA is a social economic research and education not-for-profit institution with over a decade of CSR experience in monitoring and education. Starting with the foundational work of the Independent Monitoring Working Group (IMWG) with Gap in Central America, CREA has been involved in social compliance monitoring including the development of codes, compliance systems and trainings. More recently CREA has been instrumental in such initiatives as Project Kaleidoscope in China with Disney and McDonald's. CREA operates through an internal network of partner NGOs. All of CREA's projects require collaborative standard setting, facilitation, education of multi-stakeholder constituencies as well as the creation of education and management tools for on-going use. For more information about CREA, please visit our website or contact us at:

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