



Global Social Compliance Programme

Reference Tool for Auditing Competence

The GSCP is facilitated by

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The Global Social Compliance Programme

The Global Social Compliance Programme is a business-driven programme for companies whose vision is to harmonise existing efforts in order to deliver a shared, global and sustainable approach for the continuous improvement of working and environmental conditions across categories and sectors in the global supply chain.

It offers a global platform to promote knowledge exchange and best practices in order to build comparability and transparency between existing systems.

To this effect, GSCP is developing a set of reference tools and processes that describe best practices and provide a common interpretation of working and environmental requirements and their implementation.

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Introduction

The Global Social Compliance Programme (the GSCP)

GSCP objectives and scope:

The Global Social Compliance Programme is a business-driven programme for the continuous improvement of working and environmental conditions in global supply chains. The GSCP was created by and for global buying companies wanting to work collaboratively on improving the sustainability (ethical, social and environmental) of their often-shared supply base. To this end, these companies seek to harmonize existing efforts to deliver a shared, global and sustainable approach.

The scope of the Programme encompasses:

- social and labour practices
- site-specific environmental practices (not product related)

At all levels of the supply chain.

The Programme is neither a monitoring initiative, nor a substitute to existing systems. **The GSCP will not undertake accreditation or certification activities** as it must remain a non-aligned, neutral reference framework.

The GSCP Reference tools:

To drive convergence, the GSCP has developed a set of Reference tools and processes that provide a common interpretation, based on best existing practice, of fair labour/social and environmental requirements and their implementation in the supply chain.

Users & Usage:

These tools are openly available for all to use. Users can include GSCP member and non-member companies. Multi-Stakeholder Initiatives, auditing bodies and other scheme owners are also able and encouraged to use the GSCP Reference tools.

The Reference tools can voluntarily either be:

- integrated by users into their respective systems; or
- utilised by users as a reference against which to compare their existing tools through the GSCP Equivalence Process¹

Responsibility:

The GSCP does not monitor nor audit in any way the compliance by a user's supply chain with the GSCP reference tools or any standards.

¹ The Equivalence Process is a mechanism by which a social compliance scheme and/or an environmental compliance scheme are objectively benchmarked against the requirements defined in one or more GSCP reference tools, to determine their level of equivalence. Through the Equivalence Process, the GSCP enables the comparison of various standards and schemes against the GSCP reference tools, aiming at bringing back convergence in requirements and approaches

The adoption of part or all of one or more Reference tools cannot be put forward as a proof of adequate due diligence. The responsibility of the implementation of these tools, of the monitoring of the user's supply chain's compliance and of any due diligence linked to it, resides with the user.

Any use of the GSCP name or logo has to follow the terms established by the GSCP. These terms are available on the GSCP website (www.gscpnet.com).

The Reference tool for Auditing Competence

Objective:

The objective of this reference tool for Auditing Competence is to establish the requirements that define a reliable and appropriate level of competence for organisations undertaking audits in relation to social compliance and environmental compliance. This reference tool is intended to be used in connection with the other GSCP reference tools, but can be also be used independently.

The requirements in this reference tool can be either:

- integrated in the management systems of companies performing second party audits, or
- used by independent third party auditing bodies, and/or
- used by companies using independent third party auditing bodies to perform audits².

They can also be used by companies, auditing bodies or initiatives as a reference against which to compare their existing requirements (see GSCP Equivalence Process).

In this document, auditing bodies refers to any person, legal entity or part of a legal entity that performs auditing services.

Auditing bodies thus include:

- companies/organisations,
- audit teams from buying/sourcing companies that are demonstrably independent of the company's commercial functions, and
- industry or sector schemes and multi-stakeholder initiatives.

This reference tool will allow:

- the assessment of the capability and suitability of auditing bodies, and
- the creation of a harmonised framework to recognise external auditing bodies.

The implementation of the requirements contained in this document will provide greater assurance that auditing bodies are:

- a) conforming to specified requirements,
- b) capable of consistently achieving their objectives,
- c) effectively complying with defined standards, systems and procedures.

² A definition of first, second and third party audits can be found in the glossary of terms at the end of the document.

Scope:

The reference tool specifies the principles and requirements for the competence, consistency, relevancy and impartiality of any auditing body in charge of auditing against standards relating to:

- social compliance and
- environmental compliance.

The reference tool also specifies the competence of the personnel involved directly with the auditing and assessment of supplying companies which has a significant bearing on:

- the outcome of an audit, and
- the consistency of the performance of the body in charge of auditing.

Competence requirements for auditors and lead auditors can be found as an annex to section 2.2 of this document.

Requirements:

In order to gain recognition by users of this tool, bodies in charge of auditing must meet and continue to meet all the requirements specified within this reference tool.

The requirements cover:

1. Core principles of auditing bodies
2. Requirements of auditing bodies - organisation and management, competence of personnel, continuous professional development and sub-contracting arrangements
3. Audit standards, scope and process
4. Alert and sensitive information
5. Appeals
6. Complaints against the auditor or audit company
7. Fraud prevention
8. Support in the event of any external challenge

1. Core principles of auditing bodies

The core principles upon which auditing bodies effectively operate are as follows:

- impartiality
- competence
- responsibility
- openness
- confidentiality
- responsiveness to complaints
- professional integrity

Impartiality

To ensure confidence in the services it provides, the auditing body is impartial in its policy making and operation. With respect to the auditing body's operation, the auditing body and its employees base their decisions and opinions on objective evidence. These decisions and opinions are not influenced by other interests, by any other party or prejudice.

Competence

Competence of the personnel employed by the auditing body is of an adequate level in order to provide full confidence on the findings of an audit and any decision resulting from an audit. (See Appendix 1 – Requirements for Auditors and Lead Auditors).

Responsibility

The auditing body has the responsibility to assess effectively and provide objective evidence upon which to base their findings and reports.

Openness

The auditing body makes clear and unambiguous information publicly available about its governance structure and its operation.

The auditing body, in accordance with its confidentiality policy, agrees to the shadow auditing of its personnel at the request of any other relevant organisation.

Confidentiality

The auditing body has clearly defined confidentiality policies regarding the companies / sites they audit and the release of information to any other party.

Responsiveness to Complaints

The auditing body has effective and responsive procedures in place for dealing with complaints from any party.

Professional integrity

The auditing body adheres to good governance, is honest and trustworthy and has measures in place to ensure their employees uphold these principles.

2. Requirements of auditing bodies

2.1 Organisation and management

a. General requirements

2.1.1 The auditing body is a legal entity³ (or part of a legal entity) and has a constitution which clearly defines its activities and responsibilities.

2.1.2 The auditing body has adequate and appropriate arrangements in place to cover any liabilities which may arise from its activity.

For second party auditing bodies, the organisation can demonstrate that they are not in a position whereby their impartiality could be compromised.

For third party auditing bodies, the organisation can demonstrate that they are not in a position whereby their impartiality could be compromised, particularly with regard to their finances and income.

b. Structure

2.1.3 The auditing body has a clearly defined organisational and reporting structure; key job descriptions, scope of operations and expertise of personnel are fully documented and retained.

2.1.4 The auditing body has a designated manager with overall responsibility for ensuring the competency of personnel and the consistency of the operation of audits.

2.1.5 The auditing body immediately notifies its clients and any organisation with whom they have a formal agreement or contractual arrangement of any significant material changes within its organisational structure (e.g. change of ownership, relevant staff changes, change of location or physical address, etc).

c. Personnel

2.1.6 The auditing body has a system in place to ensure that their staff and any sub-contracted personnel enjoys rights granted by local legislation, national legislation and ratified international labour standards. The auditing body should aspire to apply whichever affords the highest level of protection.

2.1.7 The auditing body ensures that impartiality of personnel involved in audit activities and confidentiality of information obtained during audit activities are maintained and monitored. The auditing body has a policy and a management control process in place to ensure impartiality. The policy clearly defines what constitutes a conflict of interest.

³ A definition of legal entity can be found in the glossary of terms at the end of the document.

In the event that the auditing body, its employees or sub-contractors have links to, or relationships with, organisations or persons offering consultancy services, these links or relationships are clearly defined and controls are in place to ensure there is no compromise on the impartiality of the auditing body.

2.1.8 The auditing body has employment conditions which ensure that auditors spend normally no more than two thirds of their contractual working hours conducting audits. Included in this time will be travel time to and from audits, but excluded are report writing and any other job-related duties such as training (including on-site training).

2.1.9 The auditing body has effective systems to ensure the safety, protection and security of its auditors.

d. Audit management and quality assurance

2.1.10 A quality assurance system is in place to control and manage audits and includes the following:

- the auditing body's policy and commitment to quality
- a system of internal audit
- a formal process for review of quality systems
- a formal process for communication of quality systems to staff
- a formal process for ensuring consistency of quality and standards across the auditing body
- a formal process of periodic 'shadow audits' of each auditor by a senior / more experienced auditor within the auditing body to check competency and quality.

2.1.11 The auditing body has an effective internal audit system in place under the direct control of the auditing body's management.

2.1.12 The auditing body has an audit review process in place.

The audit review checks the integrity of the audit process and the correct completion of documentation.

In the unlikely event that any changes to the findings of an audit (i.e. changes, additions or removals of non-compliances or observations) are made by a reviewer, these are signed off by the original auditor as well as the auditee. Notes of changes are kept by the auditing body and made available for inspection on request to organisations that have formal agreements or contractual arrangements with the auditing body in relation to the release of such information.

e. Record of findings and use of results

2.1.13 Full records of all audits are retained for a minimum duration of 6 years. These include the report, the checklist/auditing tools, auditor field notes and all information relating to non-conformities and supporting evidence found on the day of the audit and on any follow-up actions.

2.1.14 The auditing body maintains a list of planned audits. This list is provided upon request to organisations that have formal agreements or contractual arrangements with the auditing body in relation to the release of such information.

2.1.15 The auditing body is prepared, upon request, to share any information related to the audit of a supplier or employment site, in accordance with the auditing body's confidentiality policy and any formal agreement or contractual arrangement.

2.1.16 Upon request, the auditing body allows and facilitates 'shadow assessments' by relevant organisations, including NGOs and trade unions to evaluate the performance of those personnel involved in auditing activities, in accordance with their confidentiality policy and with the formal agreement of the audit requestor and auditee. The organisations concerned will have to abide by the confidentiality policy of the auditing body. This applies to audits conducted by the auditing body, but observed by an external party for the purpose of evaluating competency.

2.1.17 The auditing body, upon request facilitates verification/control audits by organisations with whom they have formal agreements or contractual arrangements regarding verification/control audits, in accordance with their confidentiality policy. This may include nominated organisations (including NGOs and trade unions). These verification/control audits are used to assess the accuracy and robustness of audit findings.

2.2 Competence of Personnel

2.2.1 The auditing body employs personnel that demonstrate the required/relevant competences to fulfil the management, administrative and auditing functions relevant to their position/functions within the organisation.

2.2.2 The auditing body employs auditors and lead auditors who meet the requirements as compiled in the GSCP reference requirements for auditors and lead auditors or its equivalent (see appendix 1).

2.2.3 The auditing body is able to demonstrate that individuals involved in reviewing reports have the appropriate experience and knowledge of, *inter alia*:

- the current version of audit process/methodology of the audit in question
- the current version of the audit reporting format of the audit in question
- on-site training on the audit process (i.e. shadowing an audit)
- local laws, relevant standards and regulations
- existing relevant development projects taking place in the country of operation of the site or relating to the sector in which the site operates.
- good understanding of specific customer requirements
- appropriate experience prior to being nominated which includes, for audit reviewers, having successfully reviewed at least 3 audit reports under the guidance of an experienced reviewer.

The auditing body is able to provide evidence of competency assessment of their reviewers.

2.2.4 The auditing body maintains up-to-date personnel records, including relevant qualifications, training, experience, affiliations, professional status, competence and any relevant consultancy services that may have been provided. This includes management and administrative personnel, in addition to those performing auditing activities.

2.2.5 When appointing a new employee or subcontractor whose duty is connected with auditing process, the auditing body requests a reference from a previous employer or organisation on behalf

of which the auditor has conducted audits or undertaken audit review. This reference, which includes details of relevant experience, is fully reviewed by a senior member of the auditing body's management and formally approved. Where appropriate, the auditing body undertakes searches of official data to verify the personal integrity of the new employee or subcontractor.

2.3 Continuous professional development

The auditing body ensures that all auditors, lead auditors and audit reviewers are provided with the resources to maintain their knowledge of existing requirements as specified in the GSCP Reference Code, or its equivalent, in the International Labour Conventions and ILO Labour Conventions and/or in the GSCP Reference Environmental Requirements, or its equivalent.

2.3.1 The auditing body ensures that all auditors and lead auditors involved in authorising the final report:

- a. Continue to meet the requirements requisites stated in the GSCP reference requirements for auditors and lead auditors or its equivalent (Appendix 1).
- b. Maintain their knowledge of relevant standards and schemes.
- c. Have access to facilities and organisations that will enable them to familiarise themselves with national laws, relevant standards and regulations.
- d. Have been assessed and trained to meet the GSCP requirements for auditors and lead auditors or its equivalent (reference appendix 1). Records of qualifications, experience, training and assessment are maintained; these records confirm the tasks each staff member has been approved to undertake.

2.3.2 The auditing body has in place an ongoing programme to ensure that staff are able to continue to develop their knowledge and technical skills.

To this end, the auditing body ensures ongoing professional development for all auditors and lead auditors involved in authorising the audit report, which includes training on audit methodology and best practice, building familiarity with country legislation and industry practices, and training on action planning/advising improvements.

2.3.3 The auditing body ensures that personnel are given formal updates as appropriate and undergo collective development workshops at least annually to ensure that personnel are fully updated with information and that interpretative matters are discussed and clarified.

2.3.4 The auditing body ensures that all personnel are subject to a systematic review and assessment programme at least annually to ensure satisfactory performance. This review will include *inter alia* shadow assessments and report review.

2.4 Sub-Contracting

2.4.1 If the auditing body sub-contracts any work to another party, a formal agreement is entered into with the contractual partner. Subcontracts are controlled and managed to the same standards as those set out in these requirements.

3. Audit Standards, Scope and Process

3.1 Audits are carried out against a code of conduct specified by the buying company to the supplier, whose requirements are at least equivalent to those contained in the GSCP Reference Code or equivalent and/or in the GSCP Reference Environmental Requirements or equivalent.

3.2 The auditing body undertakes audits in accordance with such requirements as found in the GSCP Reference Tools on Audit Process and Methodology⁴ or equivalent.

4. Alerts and Sensitive information

4.1 The auditing body has a procedure in place to report to the audit requestor:

- any information regarding abuse or harassment of workers or breach of the law at a site being audited where the auditor has been unable to verify the information⁵;
- any information regarding the abuse or harassment of workers or breach of the law at a site being audited where reporting the issue directly to management risks putting workers or other staff member in danger;
- any information regarding critical non-compliance⁶;
- any attempt to bribe, coerce or threaten an auditor, audit reviewer or audit administrator

The auditing body ensures that information is treated sensitively in accordance with its confidentiality policy.

4.2 In the event that abuses of rights of workers are reported after the audit to the auditing body, the auditing body will report this information to the audit requestor⁷.

⁴ The GSCP Reference Tools on Audit Process and Methodology are available on the GSCP website www.gscpnet.com.

⁵ Guidance on how to report such information as well as a reference template can be found in the GSCP Reference Alert Notification (Appendix 4 of the GSCP Reference Tools on Audit Process and Methodology), on www.gscpnet.com.

⁶ Guidance on non-compliances is to be found in section 4.6.1 “Non-compliances, Observations and Good Practice Evaluation” of the GSCP Reference Audit process (GSCP Reference Tools on Audit Process and Methodology), on www.gscpnet.com.

⁷ Guidance on how to report such information as well as a reference template can be found in the GSCP Reference Supplementary Audit Information (Appendix 7 of the GSCP Reference Tools on Audit Process and Methodology), on www.gscpnet.com.

5. Appeals

5.1 The auditing body has a documented procedure to receive, evaluate and make decisions on appeals by auditees.

5.2 Details of the auditing body's appeal handling procedure are publicly accessible.

5.3 In the event of an appeal, the auditing body ensures that the staff engaged in the appeal handling process is different from those who carried out the audits and undertook the audit review.

5.4 In the event that an appeal process is not resolved and as a last resort, the auditing body has a procedure in place to refer it to an independent third party.

5.5 The auditing body ensures that the submission, investigation of and decision on appeals do not result in any discriminatory actions against the auditee or any other party.

6. Complaints

6.1 The auditing body has an independent and documented procedure to manage, resolve and record all complaints.

a. Complaints are any expressions of grievance or dissatisfaction with a service provided.

They can relate to:

- a specific action or service of an auditing body,
- violations of laws and/or administrative rules.

b. Complaints can be filed by individuals and/or organisations, such as audit requestor, auditor, supplier, worker, Trade Unions, NGOs or other interested parties.

Examples of complaints would be where there has been:

- failure to provide a service at the agreed time or to the standard expected of the service
- expression of dissatisfaction in answering a query or responding to a request for contracted activities.
- failure to follow the auditing body's agreed policy, orders or procedures
- failure to take proper account of relevant matters in coming to a decision
- discourteous or dishonest behaviour by a member of staff.

This may include also, but is not limited to fraud, bribery, and all issues relating to the behaviour of auditors and other contracted staff.

c. Every complaint requires an investigation and, if confirmed as true, appropriate follow-up action.

6.2 The complaint procedure of the auditing body is transparent and publicly accessible.

6.3 Requests for clarification, further information, and/or timescales do not constitute a complaint. However, the auditing body has a documented procedure to manage any requests which require follow-up and/or further action.

6.4 The auditing body ensures that the submission, investigation of and decision on complaints do not result in any discriminatory actions against any party involved in the complaint procedure.

6.5 In the event that a complaint is not resolved and as a last resort, the auditing body has a procedure in place to refer it to an independent third party.

6.6 The auditing body has a procedure in place for periodic analysis of complaints to identify systemic problems and develop appropriate solutions

7. Fraud Prevention

7.1 The auditing body has policies in place setting out the behaviour required of all staff involved in performing audits, reviewing audits and audit administration. This policy prohibits the acceptance of payments, samples, gifts or any other benefits.

7.2 All staff involved in performing audits, reviewing audits and audit administration receive training on this policy, and have signed to indicate that they understand and abide by the policy.

7.3 The auditing body has a process in place to analyse the findings of auditors and identify anomalous results.

7.4 The auditing body takes appropriate action to carry out a full investigation in the event of any allegations of fraud or attempted fraud involving an auditor or contracted staff involved with audit review or administration. The result of the investigation is made known to, and where appropriate acted upon by the auditing body's senior management, which may include formal communication with the audit requestor, in accordance with any contractual or formal agreements.

8. Support in the Event of any External Challenge

8.1 The auditing body undertakes to provide any necessary information and support that may be required by the audit requestor in the event of any claim, action, demand or proceedings involving any employment site that it may have audited, in accordance with its confidentiality policy.

Appendix 1 – Requirements for Auditors and Lead Auditors

Introduction

These requirements for the competence of auditors and lead auditors will ensure the relevant level of competency is established both for auditors and lead auditors and will enhance the professionalism of individuals carrying out the assessment of suppliers. It is envisaged the establishment and collective acceptance of these competencies will help minimise any inconsistency between individual auditors and the audit results. This in turn will lead to increased confidence for the supplier and buyer alike.

Scope

The auditor competence requirements relate to auditors and lead auditors who undertake audits within the scope of social compliance and environmental compliance.

In this document, the term auditor refers to a person with the competence to conduct an audit.

Lead auditor refers to the auditor of the audit team appointed as audit team leader and responsible for leading the audit team.

The Core auditor competences and prerequisite reference requirements (Table A) are complemented by Specific requirements for lead auditors (Table B) as well as a series of competence requirements to be satisfied by both Auditor and the Lead Auditor for social compliance (Table C) and environmental compliance (Table D).

The following tables specify the requirements for the competence of auditors and lead auditors in relation to social compliance and environmental compliance auditing.

Table A - Core auditor competence and prerequisite reference requirements (for social compliance assessment and environmental compliance assessment)

Table B - Specific lead auditor competence and prerequisite reference requirements (for social and environmental compliance assessment)

Table C - Specific auditor and lead auditor competence and prerequisite reference requirements - social compliance assessment

Table D - Specific auditor and lead auditor competence and prerequisite reference requirements - environmental compliance assessment

Note: In the event that an audit is conducted by a single auditor rather than an audit team, the auditor will have the same competence requirements as those defined for a lead auditor.

Table A - Core auditor competence and prerequisite reference requirements (for social and environmental compliance assessment)

Competency/ Prerequisite	Requirement
Ethical	The individual will be fair, truthful, unbiased, sincere, discreet, trustworthy and honest. The individual will possess a high level of integrity, particularly in relation to bribery and corrupt practices.
Open-minded	The individual will be open-minded, reasonable and will be willing to consider alternative ideas or points of view
Diplomatic	The individual will be tactful in dealings with people, as appropriate to achieve the audit objectives.
Observant	The individual will be fully aware of physical surroundings and activities throughout the entire audit process.
Perceptive	The individual will instinctively be aware of and be able to understand situations
Versatile	The individual will be able to adjust readily to different situations and to effectively resolve conflict and arrive at consensus agreement as far as possible.
Tenacious	The individual will be persistent and focussed in their approach to achieve objectives
Decisive	The individual will be able to reach timely conclusions based on logical reasoning and analysis, and in the case of possible conflict, be confident to manage and control discussions. The individual will assume the leadership role during problematical discussions and situations in order to resolve issues.
Self-reliant	The individual will be able to act effectively and function independently during audits
Ethically and morally courageous	The individual will act professionally and ethically and make decisions even though these actions and decisions may result in disagreement, confrontation or appeal proceedings.
Professional	The individual will be courteous, conscientious, discreet and business like in their approach to auditing. The individual will have the ability to deal sensitively with people from different backgrounds and to make them feel at ease, in order to resolve conflict without losing composure. The individual will be empathetic, respectful to others and will help to build trust during and after the audit. The individual will keep relevant information confidential in accordance with non-disclosure or confidentiality agreements. The individual will communicate confidently and with authority to secure agreement with auditee management. The individual will maintain strict independence from self interest or personal bias.
Respectful	The individual will act respectfully, show politeness and good manners.
Organisational skills	The individual will effectively plan, prioritise and adjust the activities to auditee needs as far as possible, without adversely affecting the audit. The individual will have good organisational and time management skills.
Logical judgement	The individual will make correct decisions based on objective and verifiable evidence.
Audit principles, procedures and techniques	The individual will apply audit principles, procedures and techniques associated with management systems and possess a detailed knowledge of compliance issues commonly experienced with such systems

	<p>The individual will prioritize and focus on matters of significance and understand the appropriateness and consequences of using sampling techniques for auditing.</p> <p>The individual will be able to verify the accuracy of collected information and be aware of the significance and appropriateness of audit evidence to support audit findings and conclusions.</p> <p>The individual will understand and assess those factors that can affect the reliability of the audit findings and conclusions.</p>
Management systems and reference documents	<p>The individual will have a detailed knowledge of management systems standards, applicable procedures or other management systems documents used as audit criteria.</p> <p>The individual will have the ability to apply management systems principles to different organisations and to interaction between components of the management system.</p> <p>The individual will understand and act upon differences between and the priority of reference documents and understand the need to apply specific reference documents to different audit situations.</p> <p>The individual will have knowledge of information systems and technology for authorisation, security, distribution and control of documents, data and records.</p>
Organisational situations	<p>The individual will have knowledge of general business processes and will understand the workings of organisations in relation to size, structure, function and relationships.</p> <p>The individual will have knowledge of specific functions with particular reference to;</p> <p>Human Resources management, payroll systems, productivity systems, union relationships, collective bargaining processes, relevant collective agreements, worker organisations (non-unionised) and worker grievance procedures.</p> <p>The individual will understand the social, economic and cultural relationships in worker communities.</p>
Applicable laws, regulations and other requirements relevant to the discipline	<p>The individual will have detailed knowledge of National and local laws that apply to the organisation being audited, with particular reference to one of the areas listed under either social compliance or environmental compliance, depending on the audit's scope:</p> <p>1. <i>Social Compliance Assessment:</i></p> <ul style="list-style-type: none"> - Employment Law related to wages, benefits, hours of working, remuneration codes of practice and standards, holidays and employment termination codes and standards, subcontracting and home working, - Child Labour, - Forced Labour, - Harassment, discrimination and abuse, - Age and working restrictions, - Freedom of Movement, - Freedom of Association, - Right to collective bargaining, - Pregnancy and maternity codes and standards. <p>- The individual will have detailed knowledge of international treaties and conventions, with particular reference to ILO conventions and Recommendations and the UN Declaration of Human Rights</p> <p>- The individual will have detailed knowledge of existing relevant development projects involving the site, sector and/or country of operations</p> <p>- The individual will have detailed knowledge of specific requirements in relation to specific customer contractual requirements.</p>

	<ul style="list-style-type: none"> - The individual will have detailed knowledge of the specific code or standard against which an audit is undertaken. - Health and safety national and local laws that apply to the organisation being audited. - The individual will have knowledge of international treaties and conventions, with particular reference to ILO conventions and Recommendations relating to Health and Safety. - The individual will have a detailed knowledge of relevant collective agreements. <p>2. <i>Environmental Compliance Assessment</i></p> <ul style="list-style-type: none"> - The individual will have a detailed knowledge of national and local laws that apply to the organisation being audited, with particular reference to Environmental law. - The individual will have a detailed knowledge of specific requirements in relation to specific customer contractual requirements. - The individual will have a detailed knowledge of the specific code or standard against which an audit is undertaken.
Reading	The individual will understand and interpret written material with particular reference to payroll, employment records and factory records.
Writing	<p>The individual will have good written communication skills.</p> <p>The individual will produce written documents that can be understood by the intended audience.</p> <p>The individual will produce clear and accurate reports on audit findings and clearly articulate these in relation to legal requirements and relevant codes.</p>
Listening	<p>The individual will understand and interpret verbal material.</p> <p>The individual will understand and interpret non verbal communication, such as gestures, and personal expression</p>
Numeracy	The individual will understand and interpret number systems and their significance
Oral presentation	<p>The individual will have good oral communication skills, which is appropriate and makes him/her understood by the intended audience.</p> <p>The individual will provide clear and accurate oral representation on audit findings at closing meetings and clearly articulate these in relation to legal requirements and relevant codes.</p>
Interviewing	<p>The individual will be experienced in different types of interviewing techniques.</p> <p>The individual will understand the principles of sampling techniques with respect to group or individual interviews and cultural considerations.</p> <p>The individual will have the ability to interview personnel without compromising the source of information.</p> <p>The individual will deal discreetly with personnel who may feel compromised or feel uncomfortable being interviewed</p>
Facilitating meetings	The individual will effectively control and manage meetings during the audit
Language	<p>The individual will be a fluent speaker and reader of the language(s) used by managers, administrators and workers of the organisation being audited.</p> <p>Under circumstances where the individual's linguistic skills are limited, the individual will communicate effectively through an interpreter.</p>
Technical language	The auditors will have knowledge of the technical language employed onsite, depending on its industry sector.
Fraud detection	The individual will understand and has the skills to detect commonly used methods of document manipulation, fraudulent actions and fraudulent practices.

Action planning/advice	The individual will have the capability to advise on ways to effectively resolve non-conformities in a practical way that meets the requirements of relevant standards when appropriate and within the scope of customers expectations ⁸ .
Detection skills	The individual will have knowledge and investigative skills to detect non-conformities which may have been subject to manipulative practices by the auditee to prevent detection. The individual will have the investigative skills to determine the authenticity of information and to verify possible allegations made by other sources.
Analytical skills	The individual will effectively and systematically assess situations and information to make informed decisions on objective and verifiable evidence
Interpersonal skills	The individual will have skills to ensure effective communication between themselves and other people. The individual will have good people management skills. The individual will have good communication skills in relation to a situation which warrants careful information gathering such as issues relating to gender, race, culture, discrimination and worker/management dispute.
Education	The individual will have successfully completed secondary education to an appropriate level to comply with the personal skills requirements of this document, i.e. reading, writing, numeracy and language.
Work experience	The individual will have industrial experience relevant to the business being audited.
Auditor training	The individual will have undertaken and successfully completed a course or courses in relation to specific standards, codes or conventions. The individual will have undertaken and successfully completed courses which impart knowledge of effective auditing skills/ methodology and other skills e.g. investigative and analytical skills The individual will undertake additional training in the event that there is a change to legislation, specific standards, codes or conventions.
Audit experience (auditor)	The individual will initially have completed a minimum of 10 days of onsite audit experience of conducting audits (either for social compliance or environmental compliance) under the direction and guidance of a competent lead auditor. The individual will have undertaken at least two satisfactory audits shadowed by a competent lead auditor.

⁸ The expected role of an auditor and the extent to which he or she will be asked to advise the suppliers on how to meet requirements will depend on the arrangements between the auditor and the audit requestor.

Table B – specific lead auditor competence and prerequisite reference requirements (for social and environmental compliance assessment)

In addition to the requirements of table A, lead auditors shall possess the following competencies.

Generic knowledge and skills of lead auditors	<p>The individual will lead an audit team and will;</p> <ul style="list-style-type: none"> - plan the audit and make effective use of resources during the audit - select appropriate competent audit team members with due regard to the knowledge and skills of individual audit team members - represent the audit team in communications with the auditee and other interested parties - organise , direct and manage audit team members both during and after the audit - provide direction and guidance to auditors in training - lead the audit team to reach conclusions - have skills for preventing and resolving conflicts - prepare and complete the audit report - have an understanding of all disciplines within the scope of the audit (for example social compliance and environment)
Audit experience (lead auditor)	<p>The individual will initially have completed a minimum of 25 days of onsite audit experience in conducting audits (either for social or environmental compliance) under the direction and guidance of a competent lead auditor.</p> <p>The individual will have undertaken at least two satisfactory audits as an acting audit team leader, shadowed by and under the supervision of a competent lead auditor.</p>

Table C - Specific auditor and lead auditor competence and prerequisite reference requirements – social compliance assessment

Competency/ Prerequisite	Requirement
Specific knowledge and skills of social compliance auditors and lead auditors - related methods and techniques	The individual will have detailed knowledge and skills in relation to: <ul style="list-style-type: none"> - social compliance terminology, - Health and Safety terminology, - audit management principles and their application, - audit management tools and their application
Specific knowledge and skills of social compliance auditors and lead auditors - processes and products, including services	The individual will have detailed knowledge and skills in relation to: <ul style="list-style-type: none"> - the working environment - sector specific terminology, - technical characteristics of process and products, - sector specific processes, practices and systems - risk assessment techniques - health and safety risks associated with the technical characteristics of process and products, - manufacturing environment sector specific terminology, - sector specific processes, practices and systems
Continual professional development	The individual will undertake a programme of continual professional development which will include; <ul style="list-style-type: none"> - a formal performance review against a predetermined personal development plan - involvement with Social Compliance activities as a significant proportion of their work (typically a third of their full time activity) - be assessed under shadow assessment conditions (one per year) by an experienced competent lead auditor - attend relevant briefing or training sessions in relation to legislative requirements, standards, codes of practices, international conventions and relevant knowledge and skills

Table D - Specific auditor and lead auditor competence and prerequisite reference requirements - environmental compliance assessment

Competency/ Prerequisite	Requirement
Specific knowledge and skills of EMS auditors and lead auditors - environmental management methods and techniques	The individual will have a detailed knowledge and skills in relation to; Environmental terminology, Environmental management principles and their application, Environmental management tools and their application
Specific knowledge and skills of EMS auditors and lead auditors - environmental science and technology	The individual will have in depth knowledge and skills to understand the fundamental relationships between human activities and the environment with particular reference to; - the impact of human activities on the environment - interaction of ecosystems - environmental media (air, water, land) - management of natural resources - general methods of environmental protection
Specific knowledge and skills of EMS auditors and lead auditors - technical and environmental aspects of operations	The individual will have the knowledge and skills to understand the interaction of auditee's activities, products, services, and operations with the environment, with particular reference to; - sector specific terminology - environmental aspects and impacts - methods for evaluating the significance of environmental aspects - critical characteristics of operational processes, products and services - monitoring and measurement techniques - technologies for the prevention of pollution
Continual professional development	The individual will undertake a programme of continual professional development, which will include; - a formal performance review against a predetermined personal development plan - involvement with Environmental Compliance activities as a significant proportion of their work (typically a third of their full time activity) - be assessed under shadow assessment conditions (one per year) by an experienced competent lead auditor - attend relevant briefing or training sessions in relation to legislative requirements, standards, codes of practices, international conventions and relevant knowledge and skills

Glossary of Terms – Auditor Competence

Competence	Definition
Action planning/advice	The auditor shall have knowledge to develop effective advice and action plans to ensure an auditee fully understands actions and timescales required for compliance with requirements
Analytical skills	The auditor shall have knowledge and skills to effectively and systematically assess situations and/or information in order to make informed decisions
Applicable laws, regulations and other requirements relevant to the discipline	The ability to comprehend and understand the requirements that apply to the organisation being audited with particular reference to <ul style="list-style-type: none"> • local, regional and national codes, law and regulations • contracts and agreements • international treaties and conventions • other specific requirements to which the organisation subscribes
Audit principles, procedures and techniques	The ability to <ul style="list-style-type: none"> • apply audit principles, procedures and techniques • plan and organise work effectively • conduct the audit within the agreed time schedule • prioritize and focus on matters of significance • collect information through effective interviewing listening , observing and reviewing documents, records and data • understand the appropriateness and consequences of using sampling techniques for auditing • verify the accuracy of collected information • confirm the sufficiency and appropriateness of audit evidence to support audit findings and conclusions • assess those factors that can affect the reliability of the audit findings and conclusions • use work documents to record audit activities • prepare audit reports • maintain the confidentiality and security of information • communicate effectively, either through linguistic skills or through an interpreter
Decisive	The ability to reach timely conclusions based on logical reasoning and analysis
Detection skills	The auditor shall have knowledge and skills to effectively detect and provide objective evidence of non conformance against requirements
Diplomatic	The ability to be tactful in dealing with people
Ethical	The ability to be fair, truthful, sincere, honest and discreet
Ethically and morally courageous	The ability to act responsibly and ethically even though these actions may not always be popular and may sometimes result in disagreement or confrontation
Facilitating meetings	The ability to effectively manage and control meetings
Fraud detection	The auditor shall have knowledge to understand and detect fraudulent actions and information.
Generic knowledge and skills of Lead Auditors	The ability to lead an audit team with particular reference to <ul style="list-style-type: none"> • planning the audit and make effective use of resources during the audit • representing the audit team in communications with the auditee • organising, directing and managing audit team members • providing direction and guidance to auditors in training • lead the audit team to reach conclusions • prevent and resolve conflicts • prepare and complete the audit report
Interpersonal skills	The auditor shall have skills to promote effective communication between themselves and other people

Interviewing	The ability to effectively ask questions to obtain specific information themselves or the ability to ask questions and obtain specific information by managing an interviewer or a translator.
Language	The auditor shall have knowledge of a specific language, both written and verbal, in order to effectively undertake an audit
Listening	The ability to understand and interpret verbal material and to apply what they have understood to specific situations
Logical Judgement	The ability to make correct decisions using evidence and information
Management systems and reference documents	The ability to comprehend <ul style="list-style-type: none"> the application of management systems to different organisations the interaction between components of the management system quality or safety or environmental management systems standards, applicable procedures or other management systems documents used as audit criteria the differences between and priority of reference documents the application of reference documents to different audit situations information systems and technology for authorisation, security, distribution and control of documents, data and records
Numeracy	The ability to understand and interpret number systems and to apply what they have understood to specific situations. Numeracy also demands practical understanding of the ways in which information is gathered by counting and measuring, and is presented in graphs, diagrams, charts and tables.
Observant	The ability to be actively aware of physical surroundings and activities
Open-minded	The ability to be willing to consider alternative ideas or points of view
Oral presentation	The ability to effectively communicate verbally with a specific audience
Organisational situations	The ability to comprehend <ul style="list-style-type: none"> the organisations size, structure, functions and relationships general business processes and related terminology cultural and social customs of the auditee
Organisational skills	The ability to be able to effectively manage time and tasks, to be able to prioritize, plan and be efficient.
Perceptive	The ability to be instinctively aware of and be able to understand situations
Professional	The ability to be courteous, conscientious and be generally business like in demeanour in the workplace
Reading	The ability to understand and interpret written material and to apply what they have understood to specific situations
Self-reliant	The ability to act and function independently while interacting effectively with others
Specific knowledge and skills of EMS auditors - Environmental science and technology	The auditor shall have the knowledge and skills to comprehend the fundamental relationships between human activities and the environment, with particular reference to <ul style="list-style-type: none"> the impact of human activities on the environment interaction of ecosystems environmental media (air, water, land) management of natural resources general methods of environmental protection
Specific knowledge and skills of environmental compliance auditors - Related methods and techniques	The auditor shall have knowledge and skills in these specific areas <ul style="list-style-type: none"> environmental terminology environmental audit principles and their application environmental audit tools and their application
Specific knowledge and skills of Environmental Compliance auditors - Technical and environmental	The auditor shall have the knowledge and skills to comprehend the interaction of auditee's activities, products, services, and operations with the environment, with particular reference to <ul style="list-style-type: none"> sector specific terminology technical characteristics of operations

aspects of operations	<ul style="list-style-type: none"> • sector specific processes and practices • environmental aspects and impacts • methods for evaluating the significance of environmental aspects • critical characteristics of operational processes, products and services • monitoring and measurement techniques • technologies for the prevention of pollution
Specific knowledge and skills of social compliance auditors - Processes and products, including services	<p>The auditor shall have knowledge and skills in these specific areas</p> <ul style="list-style-type: none"> • sector specific terminology • technical characteristics of process and products • sector specific processes and practices
Specific knowledge and skills of social compliance auditors-related methods and techniques	<p>The auditor shall have knowledge and skills in these specific areas</p> <ul style="list-style-type: none"> • social compliance and Health & Safety terminology • social audit principles and their application • social audit tools and their application
Tenacious	The ability to be persistent and focused on achieving objectives
Versatile	The ability to be able to adjust readily to different situations
Writing	The ability to produce written communication in print and electronic environments which will be understood by the intended audience

Glossary of Terms - General

Term	Definition
Audit	A systematic and functionally independent and documented process used to determine whether activities and related results comply with a standard or series of requirements which results in an audit report.
Audit administrator	A person who is an employee of an auditing body and is involved with administration of the auditing process
Audit requestor	A person and/ or legal entity that has requested and commissioned an audit, including the requesting entity's customers (where known) where agreements allowing disclosure are in place
Audit reviewer	A person who is employee of an auditing body and is responsible for the review of audit reports and findings
Audit team	One or more auditors conducting an audit supported if needed by technical experts'
Auditee	An organisation that is responsible for ensuring that requirements of a standard are met and continue to be met, on which the audit is based
Auditing body	A person and /or legal entity that performs auditing services. Auditing bodies include: <ul style="list-style-type: none"> • companies/organisations • audit teams from buying/sourcing companies that are demonstrably independent of the company's commercial functions • industry or sector schemes and multi-stakeholder initiatives
Auditor	A person with the competence to conduct an audit
Client	A person and/or organisation for which the auditing process is undertaken and to whom the auditing body has a contract or agreement
Complaint	An expression of dissatisfaction, however made, about the standard of service, actions or lack of action by an auditor or an organisation or its staff affecting an individual customer or a group of customers.
Critical non-compliance	<ul style="list-style-type: none"> • An issue which presents imminent risk to workers' safety/risk to life and limb or constitutes a significant breach of workers' human rights, and/or • A major non-compliance that has not been addressed or for which no significant improvement has been made by the time of a follow up audit, in spite of supplier commitment to resolve the issue, and/or • An attempt to pervert the course of the audit through fraud, coercion, deception or interference, and/or • A breach which represents imminent risk of serious or

	significant impact to the environment (e.g. major damage to a local ecosystem, closure of a potable water abstraction point, known on-site or off-site impact to soil, groundwater or surface water).
Environment	The totality of circumstances surrounding an organism or group of organisms, especially: a. The combination of external physical conditions that affect and influence the growth, development, and survival of organisms. b. The complex of social and cultural conditions affecting the nature of an individual or community.
External audit	An audit carried out by parties that have an interest in an organisation, or organisation acting on the behalf of these parties.
First party audit	An internal audit that an organisation performs on itself to evaluate conformity with procedures and a standard.
Health and Safety	An organisation's activities that relate to worker occupational safety and health.
Independent	A person or organisation who is free from external control, influence, guidance or constraint of the organisation being audited
Interpreter	A person who mediates between speakers of different languages by translating orally or in written form from one language into another
Knowledge	Familiarity, awareness, and understanding gained through experience and/or formal training/education.
Lead auditor	The auditor of the audit team appointed as audit team leader and is responsible for leading the audit team.
Legal entity	Any entity recognized by the law, including both juristic and natural persons
Major non-compliance	<ul style="list-style-type: none"> • A breach which represents a danger to workers / those on-site, and/or • A material breach of a code requirement / law, and/or • A systematic violation of a code requirement / law, and/or • A breach which represents a danger to the local environment.
Minor non-compliance	<ul style="list-style-type: none"> • An occasional or isolated problem, and/or • An issue which presents a low risk to workers / those on-site, and/or • A policy issue or misunderstanding where there is no evidence of a material breach, and/or • An issue which presents a low risk to the environment.
Non-Compliance	<ul style="list-style-type: none"> • A specific breach of the standard or code against which the employment site was audited. • Non-compliances may be Critical, Major or Minor
Professional Integrity	Companies/organisations are required to establish policies and procedures assuring that personnel maintain

	independence (in fact and appearance) in all required circumstances; perform all professional responsibilities with integrity, and maintain objectivity while performing those responsibilities ⁹ .
Second party audit	An external audit that an organisation (typically a customer of that site) performs on a supplier of product or services to evaluate conformity with procedures and a standard
Secondary education	The elementary stage of a national educational system and is completed prior to entrance to a university or similar educational institution.
Shadow assessment	An assessment in which a person is observed performing a task, or series of tasks, to confirm their competence by demonstrating the application of knowledge and skills to achieve a desired result.
Social accountability	The measure of an organisation's state of being mindful of the emerging social issues and concerns. The organisation's commitment to its activity in relation to certain issues such as (1) willing compliance with employment, hygiene, safety and environment laws, (2) respect for basic civil and human rights (3) betterment of community and surrounding.
Social compliance	An organisation's activities that affect the conformance to the rules of social accountability.
Sub contractor	A person and/ or legal entity that is contracted / appointed to completely or partially carry out any steps in the auditing process
Technical expert	A person who provides specific knowledge or expertise to the audit team but does not act as an auditor.
Third party audit	An external audit that is conducted by an independent organisation upon another organisation to evaluate conformity with procedures and a standard

⁹ Independence, integrity and objectivity are described in more detail in the AICPA Code of Professional Conduct and AICPA Professional Standards AU §220, Independence. http://www.reyhl.com/peer_review/glossary.html#independence