

FORMATIVE MEETING OF THE COMMUNITY OF SOCIAL AUDITORS

March 27th 2009

Islamic Cultural Centre, Lodhi Road, New Delhi

3.15 – 5.30 pm

Meeting Agenda

The following aspects were identified as agenda for the formative meeting, based on the feedback received from the interested members of the forum.

- ☐ To discuss name, goal, objectives, mandate and membership criteria of the Community of Social Auditors
- ☐ To discuss the operational plans and activities of the Forum
- ☐ To decide the next steps for the forum

Participants

10 participants participated actively in the meeting which resulted in a very stimulating discussion. The participants were representing Global Brands, CSR resource agencies, NGOs and Manufacturers. One of the participant, based in Pune, Maharashtra, participated using a telephonic call. The detailed list of participants is enclosed as Annexure 1.

Strategic Discussions in the meeting

- **Regarding Name of the Forum**

There is no professional body for the social auditors like the Institute of Chartered Accountants; therefore this body can be called an Institute, the proposed names are ***“Institute of Social Auditors”*** and ***“Association of Social Auditors”***. ***It was deliberated that these*** two names give a formal and serious identity to this body rather than calling it a community or a network. There might be need to find out the procedure for registration in the name of “Institute”.

It was agreed by the group that we will not use the term “Community of Sustainability Auditor”, the reason being that sustainability today is related only with environmental sustainability and does not include social sustainability.

Further, with this background, it was discussed that the scope of the term “social” also needs to be defined and clarified. For instance, the term social includes Labour, Community, Health and Safety but not Environmental issues and concerns.

Another suggestion which was appreciated by all was the name “***Institute for Workplace Auditors***”

- **Indian Forum Vs South Asia Forum**

One of the suggestions from an interested member was that this forum should include not only India but the South Asian countries. After a lot of deliberation, the consensus developed that it will not be ethical to promote this forum as South Asian forum without any interested members from South Asia at present. It was also shared that Indian community should not show their dominance over the other countries from South Asia. As the idea of this forum has germinated in India, to begin with, it will be an Indian forum only. If in the future it grows organically and the South Asian countries would like to join this forum, this forum can include the interests of those countries also.

- **Mandate of the Forum**

With regards to the mandate of the forum, a number of interested participants had provided their inputs via email before this meeting. Taking a lead from there, the following mandate was decided for this body.

1. Role of Quality Assurance for the practicing social auditors
2. Capacity Building of social auditors
3. Engaging with Government for Advocacy
4. Pushing for positive change in the workplace standards
5. Working towards reform of the legal & Judicial systems and its enforcement
6. Public Accounting Function

It was also deliberated that the mandate seems to be too many things, it might be necessary to distinguish between immediate goals and the aspirational goals

- **Code of Conduct**

As suggested in the last point, it was discussed that there is a public function of this body; thus it is deliberated that there is a need to develop a code of conduct for this Institute. This Institute needs to raise the bar of performance standards for the social auditing community and thus it is imperative for the members of this body to themselves sign up on a code of conduct. One of the participants, Dr Ram shared that he can share a model Code of Conduct of another similar forum for environmental auditors. Another member from Orlanda from

Impactt suggested that SEDEX UK also has a Code of Conduct called the Sedex Members Ethical Best Practice Audit Guidance which has been used as a reference document.

The possible contents of the code of conduct were deliberated as follows:

1. Purpose of the Institute in terms of bringing positive change in the workplace standards and conditions and its philosophy to be accountable in the public domain
 2. Processes and Standards to become a Social Auditors
 3. Safeguard procedures
 4. Norms for violators
 5. Clause of Confidentiality of information
- **Membership & Criteria for Selection**

It was discussed that there could be two kinds of memberships, one as an Individual and the other as an Organization. For both the types, it will be important to have a selection criteria and a competency test for eligibility. For organizational members, there is a need for a process to oversee the activities of the organization to ensure that credible organizations join this Institute. *At this point, it is discussed that as a next step, the membership criteria of the Institute of the Chartered Accountants needs to be studied as there also members join as Individuals.*

One of the participants shared that there could be different levels of membership to the institute, namely and suggested to refer to www.iema.net for further information on membership

1. Student level
2. Certified Auditor
3. Associate member

Regarding the selection criteria, the participants discussed that formal qualification should not be the only criteria to induct new members. One of the participants cautioned the group against getting into the trap of formal qualifications. Another participant shared that we need to demystify the field of social auditing and do something path breaking by removing the barriers of ethnicity and language. It was suggested that the workers in the factories can also be in the auditing role as they are also present in the facility all the time and are aware of all the social compliance issues.

- **Enroll Manufacturers as members**

One of the top management representatives from a manufacturing company present in the meeting suggested that this Institute should be open to enrolling manufacturers as the members because the change has to happen at the workplace, so they should be included in these discussions.

- **Difference between BWEG and the Forum**

There were a number of queries from Brands Ethics Working Group members regarding the similarity between BWEG and this Body, it is clarified that BEWG is a brands group exclusively while this body is open to Individuals, NGOs, Brands and Companies, while the goal of the two might be the same which is bringing positive change in the workplace. After understanding this difference, the BEWG members have expressed their appreciation for this group and suggested that they would like to explore collaboration with this Institute as it develops further.

- **Legal identity and Governance**

It was recommended that an Ad hoc board be set up with initial set of interested members and they need to signed an undated resignation letter till a democratic board is formed. All the members will need to sign up on the code of conduct. In the board, there is need to recruit members who have the experience in building Institutions. Therefore X members could be from the core group of members who have initiated this body, while another Y set of members could be recruited as Independent Directors which other skills and core competencies from the external world. Further, there could be subcommittee assigned for different tasks of this institute which need to be carried out. One of the participants shared that he will send a few contacts that should be approached to be recruited as Independent Directors. For expanding members, some of the companies who have been winners of the CII ITC Sustainability awards could be approached.

- **No Third party Verification & No Job Placement**

It was clarified that this body will not bid for business to conduct third party verifications and social audits. This body will play the role of self regulatory body. The body will not engage in job placements.

- **Funding /Revenue**

It was discussed that only 10 -15% of the revenue for this body could be mobilized by paid membership fees. For rest of the funding support, the body has to approach funding agencies for grants, but at the same time, it is important to ensure that the mandate of this body does not get diluted with this external funding. Fund raising needs to be undertaken from International bodies such as SAN network mentioned earlier. One of the members suggested the name of Mr John Price from SAN who could be contacted.

It was discussed that in the initial years the interested members will need to contribute from their own pocket towards the cost. Another way to save resources could be to plug with other networks and meetings, where an additional 2 hours could be dedicated for the discussions regarding this Institute.

- **Next Steps**

1. The Minutes of the meeting will be circulated to existing members and new potential members
2. The next six months from April to September 2009 will be formative phase of this forum and the following activities will be undertaken
 - a. Find out the procedure for registration of this forum as a Society or as a Union
 - b. Find out about the procedure and formalities of registering in the name of “Institute” or “Association”.
 - c. To undertake research on code of conduct for such forums and share it with members for preparing the draft Code of Conduct of the Forum
 - d. To enroll the formative members
 - e. The membership criteria of the Institute of the Chartered Accountants needs to be studied as there also members join as Individuals

Annexure 1

List of Participants

Name	Company/Organisation	Type
Sumit Seth	Marks & Spencer	Global Brand
Orlanda	Impactt	CSR Resource agency
Anees Ahmed	Naser Bali Gloves	Manufacturer
Swati Sharma	Lindex	Brand
Khurram Nayaab	Partners in Change	NGO CSR Resource Agency
Shankar Venkateshan	Sustainability	CSR Resource Agency
Amita Joseph	Business and Community Foundation	CSR Resource Agency
L Ramakrishanan	Philips	Global Brand
Dr Aqueel Khan	Association For Stimulating Know How	NGO
Monica Ramesh	Association For Stimulating Know How	NGO