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## INTEGRATED SOCIAL & ENVIRONMENTAL AUDITING

. This is one of a series of papers produced by the Natural Resource and Ethical Trade Programme (NRET) of the Natural Resources Institute, University of Greenwich. The papers cover key themes relevant to the implementation of codes of practice in the fresh produce industry, with a focus on developing countries. They draw on findings from a 3-year NRET research project which looked at how the impact of codes on workers and smallholders could be improved. Themes covered are: the case for national codes; developing multi-stakeholder institutions; integrated social & environmental auditing; managing codes in the smallholder sector; building awareness and support for codes; and developing criteria, indicators and verifiers. For copies of the papers, please contact NRET at the Natural Resources Institute, Chatham Maritime, Kent ME4 4TB, U.K., email: [nret@gre.ac.uk](mailto:nret@gre.ac.uk), or download from the Internet at: <http://www.nri.org/NRET/nret.htm>

### Who is this paper for?

This paper is primarily aimed at social and environmental auditors, and horticultural export industries in developing countries who are developing their own national codes of practice. It will also be of interest to European supermarkets, civil society organisations and other European code bodies (i.e. those responsible for developing and promoting codes).

### Purpose of the paper

The purpose of this paper is to:

- Provide practical assistance to auditors and exporter-producer associations in setting up and running local auditing systems;
- Inform European supermarkets, code bodies and civil society organisations about the advantages of local auditing.

### Executive Summary

**Integrated Social & Environmental (ISE) Auditing is characterised by:** consultation with all stakeholders; encouragement of bridge-building; a team approach; use of non-written verifiers; flexible & informal data collection; use of local auditors; frequent visits; continuity of auditors; focus on capacity building; high quality...and low cost!

**Who audits?** Team of 2-3 auditors with participatory research skills; fluency in local languages; knowledge of labour, social and technical aspects of export crop production and processing; and good rapport with workers and smallholders. Auditors should receive appropriate training.

**Tools of the trade:** effective auditing is helped by having good indicators and verifiers, and standardised farm description questionnaire, audit checklist and audit report format.

**Pre-audit visits** are important in order to introduce the code and audit process, cross-check indicators and verifiers, provide advice, collect basic information about the farm, and agree audit scope and logistics.

**The audit (data collection):** ISE auditing relies on using 3 types of verifiers: (a) verbal verifiers (individual & group interviews with workers & management), (b) visual verifiers (transect walk), and (c) written verifiers (document checks).

**Post-audit:** to complete the audit process, it is important to review and synthesise findings, feed these back to the farm owner/manager, and write up and file the audit report.

**How much does it cost?** Estimated cost of auditing per operator per year is £473.

**Key lessons:** importance of good indicators & verifiers, importance of appointing a Code contact person; non-written verifiers more accurate but also more time-consuming & difficult to use; building trust and capacity are critical; integrated auditing is better value, but also more difficult.

**Areas for further work:** further field-testing of ISE auditing approach; how to meet auditing costs; guarding against corruption; dividing responsibilities between exporters and outgrowers; developing auditing institutions and systems; training farm operators on record-keeping.

## Introduction

Many of the major European supermarkets are now implementing codes of practice in response to growing consumer concern about food production methods and their impact on poor people and the environment. Codes require producers to meet minimum standards on food safety, working conditions, and environmentally friendly production. In all parts of the world, exporters and growers supplying European supermarkets are now being asked to comply with these codes.

In response to these supermarket codes, a growing number of horticultural producer associations in developing countries have been developing their own national codes of practice (NCOPs). Examples include the Zambian Exporters and Growers Association (ZEGA), the Agricultural Ethics and Assurance Association of Zimbabwe (AEAAZ), and the Kenya Flower Council (KFC). These associations have recognised the increasing importance given by the European market to social and environmental standards, and realised that the reputation of the national industry would suffer if any producers were found to fall short of the standards. They therefore decided to develop and implement NCOPs as a means of ensuring that their producer members complied with supermarket codes.

Different supermarkets, export associations, auditing companies and other organisations use a variety of methods for auditing against these codes. Each auditing approach has its own strengths and weaknesses. However, there are a number of challenges that are not properly addressed by any of the existing auditing approaches. These include:

- How do you carry out effective audits on farms where few written records are kept? (a typical situation for many small and medium-scale farms in Africa)
- How can you obtain good quality information, while keeping the costs down?
- Many producers currently see audits as a “nuisance”. Can audits be turned into a constructive tool that supports continuous improvement?

This paper describes the key elements of an auditing approach, developed by NRET with the export pineapple industry in Ghana, which aims to address these and other challenges.

The integrated social and environmental (ISE) auditing approach builds on best practice from existing social and environmental auditing approaches. A draft audit protocol was developed which drew on relevant aspects of: auditing (inspection) approaches used in organic certification; the approach developed by the ETI Zimbabwe pilot for auditing labour standards; the SA 8000 guidance document for auditors; and environmental auditing methods used under EMAS. The draft audit protocol also drew on NRET’s experience of researching social and environmental issues on Ghanaian pineapple farms, and incorporated the use of more participatory methods of data collection. The draft protocol was then piloted on two commercial pineapple farms and their outgrowers. The protocol was subsequently modified based on lessons from this piloting exercise. The pilot audits were carried out against the draft Ghana code developed by the Ghanaian horticulture industry, which incorporates most key social, environmental and food safety requirements covered in European market codes.

## Characteristics of the ISE auditing approach

***Involves consultation with all stakeholders:*** All stakeholders are consulted, i.e. managers, smallholders and workers. It is particularly important to consult with different types of workers, since they may face differing conditions and treatment by managers and supervisors.

***Encourages bridge-building:*** One of the indirect benefits of such consultation is that you get better communication between management and workers. Through the exit interview and the audit report, the audit team feeds back the concerns and priorities of the workforce to the management. In this way, the management can increase their understanding of worker concerns and priorities, and can also find out which farm policies are followed, misunderstood or ignored by workers. Improved communication can by itself help to improve worker morale.

***Integrated social and environmental auditing – a team approach:*** Social and technical (i.e. environmental and food safety) aspects of the code are audited together. Within the audit team, different members may have specific expertise in the social or technical aspects. However, each audit activity is a team activity involving both the social and technical “experts”. The advantage of

combining the 2 aspects is that many indicators and verifiers measure a combination of social, environmental and/or food safety criteria. For example, assessing the knowledge of the pesticide spraying team regarding selection and safe application of pesticides will tell you something about worker health and safety, as well as environmental and food safety risks, at one and the same time. Integrated auditing therefore avoids unnecessary duplication of effort, and therefore saves money.

**Triangulation – reliance on non-written information sources (verifiers):** ISE auditing relies just as much on non-written verifiers (i.e. information gathered from interviewing people, or from direct observation) as it does on written records. This characteristic is important because, in Africa, most small and medium-sized farms keep very few written records. While these farmers would undoubtedly benefit from better record-keeping, the audit approach used in such circumstances also needs to be effective *despite* the current paucity of written records. Moreover, the audit team responsible for piloting the audit protocol found that, even where written records *do* exist, information revealed through interviews and direct observation often turn out to be more accurate than the written records. The *combined* use of written, verbal and visual verifiers is also important because it provides a means of cross-checking – or triangulation – of data collected.

**Flexible and informal nature of data collection:** Flexible and informal data collection methods – as opposed to formal questionnaires – are used because it helps to relax both workers and managers. This encourages them to talk freely and openly about the different aspects of the code, and makes it more likely for auditors to identify unexpected problems. Both social and environmental issues are often complex, and linked to each other in ways that are difficult for an outsider to see. Open, flexible interviews and discussions give interviewees a greater opportunity to highlight complexities and linkages (see examples in section below on interview techniques).

**Use of local auditors:** A number of characteristics of the auditing approach – in particular the reliance on non-written verifiers – demands the use of local, rather than foreign, auditors. It is essential that the audit team can speak the same language(s) as the workers (and farmers), and that they understand local farming systems and social conditions. Moreover, it is important that auditors are resident in the country. Otherwise, it will be difficult to maintain frequency and continuity of auditing, and to ensure that capacity-building aspects of the auditing approach are upheld (see below).

**Frequent visits:** The ISE auditing approach – unlike many other auditing approaches – is based on a schedule of short, frequent visits, rather than intensive annual audits. Frequent visits help to build trust between the farmer, workers and the audit team, which in turn increases the chance of getting reliable information. Frequent visits also help to keep the code alive. Regular discussion about the code means that the issues will stay in the minds of farmers and workers, so that they are more likely to take it seriously and do more work on it. Shorter visits are also less disruptive to the operations of export farms. There will not be time to audit against all aspects of the code within one visit. A list of non-audited areas is made at the end of the audit, which serve as a focus for the next audit visit, perhaps 3 months down the line.

**Continuity of auditors:** Experience of researching labour and other social issues on commercial farms shows that reliable information can only be ensured if trust is built up between the workers/farmer and the researcher (or auditor) through repeated visits. It is therefore important to ensure that there is continuity of auditors i.e. the same auditors go back to a particular farm over a period of time. However, the benefits of continuity need to be balanced against the increased risk of favouritism and/or bribery. See section on **Key lessons and areas for further work**, below.

**Advise, support and inspect – a capacity-building approach to auditing:** In the ISE auditing approach, the auditor is not just an “inspector”. He/she also plays a supportive and advisory role to the farmer, in particular in the early stages of setting up a code and/or when the farmer in question is new to the code. Recent experience of implementing codes of practice in Africa shows that many farmers are willing to implement code requirements, but don’t know how to go about it. That is, they need basic advice, training and encouragement on understanding different elements of the code and how to translate them into practice. The advantage of integrating the advisory and inspection roles is that farmers come to see auditors as a friend or “adviser” rather than a “spy”. With this type of relationship, auditors are much more likely to get a reliable and complete picture of the social and environmental performance of a farm.

**High quality...and low cost!** The characteristics of the ISE auditing approach help to ensure that audits are of a high quality i.e. they produce reliable, in-depth and comprehensive information about the social and environmental performance of the farm. But does this mean that the costs of such an approach are prohibitively high? Quite the contrary. The estimated cost of auditing per operator per year is £437, which compares favourably with the cost of using international auditing companies. (See section **How much does it cost?**, below, for further information about costs).

## Who audits?

As mentioned already, it is important that auditors are local rather than foreign. But of course, not all locals would make good auditors. As well as being local, NRET's experience suggests that a good audit team needs to satisfy the following criteria:

### **Auditor knowledge, skills and experience**

**Coverage of social (worker welfare and smallholder) aspects:** It is important to have at least one team member who has a good understanding of, and familiarity with, working conditions on horticultural export farms and packhouses. At least one team member also needs to have an understanding of social conditions and constraints on smallholder farms, and of relations between smallholders and exporters. *All* team members need to be able to develop a good rapport with workers and smallholders.

**Coverage of environmental and food safety aspects:** At least one team member should have a sound knowledge of the agronomic (technical) aspects of production and post-harvest handling of the key horticultural export crops. This member would be responsible for ensuring that the environmental and food safety aspects of the audit are properly covered. Depending on their previous knowledge of environmental aspects, the member may also need to receive some additional training on the key environmental and food safety issues (see below).

**PRA skills:** At least one member of the team needs to be very experienced with participatory research or evaluation approaches and techniques, such as Participatory Rural Appraisal (PRA – see **Theme Paper 8**). *All* team members should be familiar and comfortable with participatory approaches.

**Knowledge of regional/ethnic languages or dialects:** Many African countries are made up of a variety of ethnic groups, each of which may speak different languages or dialects. It is important that audit teams include members who can speak the particular languages or dialects of the workers and smallholders to be audited. On the export pineapple farms in Southern Ghana, many workers speak the *Ga* language as a mother tongue, with the more widely-spoken *Twi* as their second language. During the pilot audits, NRET researchers found that interviewing *Ga* speakers in their mother tongue revealed better quality information, when compared to asking questions in *Twi*.

**Young, fit and enthusiastic!** ISE auditing is physically challenging – it involves long hours in the sun, and walking through fields. It is not a job for the faint-hearted! An NRET team member with extensive experience as an organic inspector suggests that the best auditors are often young, enthusiastic and energetic graduates who receive appropriate training. As well as their youth, they are also likely to bring good computer skills, be flexible in their thinking, and amenable to training and absorbing new ideas.

### **Team composition**

**Team size:** A team size of between 2 and 3 auditors is recommended.

**Gender balance:** Having at least one woman on the audit team is important so that sensitive social issues – such as sexual harassment – can be raised by women workers during audits. Often women will be more comfortable raising such issues with other women rather than with male auditors. Moreover, having a female auditor on the team may be helpful on a more general level to ensure that women workers contribute actively in interviews. If the workforce is predominantly female, it may be best to have an all-female audit team.

## Training of auditors

Once auditors have been selected, it is also important to make sure that they receive appropriate training. No individual is likely to bring the breadth of knowledge required without specific training. Auditors will need to receive training in the following areas:

- what is covered by the code
- the audit process and the role of the auditor. As well as a “theoretical” overview, it is recommended that new auditors are given practical training through an “apprenticeship”, where they shadow experienced auditors as an extra team member.
- environmental risks in production and processing of the major export crops
- food safety risks in production and processing of the major export crops
- national labour and environmental legislation.

## Tools of the trade

An auditor’s job is made a lot easier if he/she is equipped with the right tools. The tools will need to be adapted depending on the crop, farming system, social setting etc. In practice, you will never develop the perfect tool first time round. For example, with the farm description questionnaire, you will need to develop a first draft, field test it with a couple of farms and see if the information is available, and if you get everything that is relevant. You will then probably modify it based on your experience during the field testing.

Particular auditing tools found to be useful in Ghana include:

**Clear, practical field-tested indicators and verifiers:** The pilot auditing in Ghana emphasised the importance of having good quality indicators and verifiers. Without these, you will not be able to make a clear assessment about the social or environmental performance of the farm. Guidance on how to develop good indicators and verifiers can be found in **Theme Papers 3 & 4**.

**Farm description questionnaire:** This is a tool to assist with the pre-audit activities. To decide on the scope of the audit, the audit team needs to know basic information, such as what crops are grown, how many people are employed etc. Collection of such information can be systematised and speeded up by using a standard farm questionnaire, which the auditor fills in with the farm owner or manager. A sample questionnaire (as used in the Ghana pilot audits) is given in **Appendix 1**.

**Audit checklist:** This is an essential tool to guide the actual audit, to make sure that all issues are covered, and as a means of recording data collected. A sample audit checklist (as used in the Ghana pilot audits) is given in **Appendix 2**.

**Self-audit questionnaire:** Consideration should be given to the development of a self-audit questionnaire, for use by exporters and growers after they have become familiar with the code (say 2 or 3 years down the line). Self-audit questionnaires help to increase the operator’s awareness of the indicators and how they can be verified. It will also significantly reduce the length of audits. Rather than check compliance against every aspect of the code, the role of the auditors will be to cross-check the quality of information provided by the operator, through auditing a sample of code areas. Self-audit questionnaires were not tested in Ghana, because none of the exporters or farmers were yet up to speed with the content of the code. However, they are widely used by a number of code bodies e.g. AEAZ and EUREP GAP, and by many UK supermarkets.

**Reporting formats:** A standard reporting format needs to be developed to ensure that all relevant information is documented, and to ensure consistency between farms and auditors. The audit report should include:

- The completed farm description questionnaire
- The completed audit checklist
- Summary of findings, as interpreted by the audit team
- List of areas that were not fully audited
- Recommendations for the next audit
- List of corrective actions and time-scales as agreed with the operator

## THE AUDIT PROCESS: Step 1 (Pre-audit visits)

Before carrying out the actual audit, a number of pre-audit visits need to take place. Pre-audit visits can have several or all of the following purposes:

- ❶ Introduction of code and audit process to management and workers
- ❷ Identification or cross-checking of indicators and verifiers.
- ❸ Provision of advice on interpretation and implementation of code requirements
- ❹ Completion of farm description questionnaire
- ❺ Discussion of audit scope and logistics

In the initial stages of implementing a code, and for newly registered growers, pre-audit visits will be time-consuming, with significant time spent on points 1 and 2 above. However, after the first couple of audit cycles, pre-audits could be limited to a brief visit which would focus on:

- reminding management and workers about the code and audit process;
- checking up on any changes to the farm description questionnaire details and record-keeping systems in use;
- going over the proposed audit timetable (should it be any different from last audit?), and the scope of the next audit.

**Identification/cross-checking of indicators and verifiers:** In a situation where the code is being newly implemented in the country or sector, an important role of pre-audit visits is to fine-tune proposed indicators and verifiers. This means finding out what type and quality of written records are being kept by the operator, discussing the relevance of proposed indicators, and the viability of different verbal and visual verifiers. In later stages of code implementation, when a set of reliable field-tested indicators and verifiers have been developed, this aspect of pre-audit visits will not be necessary.

**Introduction of code and audit process:** When the code is new to the operator, this step is very important and can be time-consuming. Introductions are necessary to create awareness about the content and drive (rationale) for the code, and to build trust between the auditor, operator and workforce. Introductions need to:

- Explain *why* it is important for the code to be implemented
- Describe the main areas covered by the code
- Explain the role of the auditor, and the relationship between the auditor and the management and workforce, and clarify each party's roles and responsibilities
- Explain the audit process – purpose, approach, frequency, how long it takes, who is involved, why certain people will be interviewed and not others, follow-up after an audit
- Explain procedures to ensure confidentiality and security of workers
- Provide management and workers with the opportunity to clarify any specific concerns

**Provision of advice:** The pre-audit visits are also a chance for the operator to get clarifications from the auditors about interpretation of specific aspects of the code (e.g. if code refers to a piece of legislation that the operator is not familiar with), or to get technical advice on how to implement code requirements (e.g. what kind of training do they need to give to the pesticide spray team).

**Completion of farm description questionnaire:** The audit team and the farm owner or manager complete the questionnaire together. This will also help the audit team to identify what kinds of records are or are not being kept by the farm. The team should also follow up on any peculiarities of the particular farm/company, and make sure any relevant additional information is collected.

**Discussion of audit scope and logistics:** The completed farm description questionnaire, and the verifiers identified, will help the audit team to decide on the scope, timing etc. of the actual audit. However, the audit team may need other specific information from the operator to help plan the audit e.g. export days, shift hours, break times, suitable locations for group discussions, availability of key informants. The audit team should make every effort to ensure that the timing and other logistics of the audit are convenient for management and workers alike.

## THE AUDIT PROCESS: Step 2 (the audit: data collection)

It is important to have an **introductory meeting** with the owner and senior staff at the beginning of the audit visit. The meeting is to remind the management about the purpose and scope of the audit, about their rights and obligations in the audit process, and about the findings and recommendations from the last audit (if relevant). It is also important to go through the logistical arrangements, and to check if any changes need to be made (e.g. due to staff absence, an unexpected export order).

As mentioned earlier, the ISE audit approach combines the use of 3 different types of verifiers i.e. it collects information in 3 different ways – through **written, verbal and visual verifiers**.

### **Written verifiers – checking documents and records**

After the pre-audit visits, the operator should have a reasonable idea about the types of records and documentation that will be asked for. Documents and records need to be checked not only for what they say, but also for what they *don't* say. That is, the auditor needs to be just as aware of the *quality* and *completeness* of the data. Any gaps or anomalies need to be noted as a priority for cross-checking through visual and verbal verification.

Written verifiers are more important for some aspects of the code than others. For example, it is difficult to check pesticide application rates, frequency of application, and names of pesticides used if no written records are kept. On the other hand, it is quite easy to check up on the presence/absence of soil conservation practices by direct observation, or to check up on working conditions by interviewing workers. It is important to remember that, even where written records are available, it is *essential* to cross-check the information in other ways (see box below).

### **Verbal verifiers – interviewing people**

Verbal verification is particularly important for checking up on social issues. In any interview, there are some basic principles that help ensure the quality of the results:

**Make sure your interviewees are relaxed.** The more relaxed they are, the better the information they will give you. Use informal and unthreatening language, indulge in some general chit-chat as a “warm up”, and use a diagramming technique or other ice-breaker to get group discussions going.

**Always be aware that different workers may have different perspectives.** Do not assume that one worker speaks for all. In particular, be aware of differences between permanent and seasonal/temporary workers, between men and women, between supervisory staff and general workers, and between local and migrant workers. On smallholder farms, there may be clear distinctions between workers who are relatives of the farm owner, and those who are not related

**Ask open questions.** *Closed questions* are questions which are generally narrow, and can be answered by “yes” or “no”; e.g. Is there a qualified first aider on the farm? Are there any first aid kits? *Open questions* are questions which give the respondent the chance to analyse the situation and express things in their own words. Open questions tend to begin with the words “why”, “what”, “how”, “when” or “who”. e.g. What do you do if you cut yourself while working in the field?

The benefit of using open rather than closed questions is two-fold. In the first place, open questions give you better and more comprehensive information. In the example here, the open question will reveal not only if first aid facilities exist, but will also tell you how well workers know the procedures, and to what extent the procedures are actually followed on a day-to-day basis. Open questions would also reveal issues which were not anticipated by the auditors e.g. in this case, any additional measures taken by management to ensure the safety of workers.

Secondly, if open questions are asked, workers are less likely to be able to “guess the right answer”. They may have been briefed by management to provide certain answers, or simply want to please the auditor. With the closed questions given above, it is quite easy for the interviewee to guess what is the expected answer. It is less easy with the open question.

There are 3 different types of interviews that can be used during ISE auditing. These are **key informant interviews, group discussions** and **in promptu chats**:

## ❶ Key informant interviews

Key informant interviews are generally one-to-one interviews with individuals who have specialised knowledge about a particular area of interest. They are useful for finding out about a number of specific areas in the code, in particular:

- **Pesticide handling and use:** in-depth interviews with one or more members of the spray team will reveal a large amount of relevant information on this area of the code.
- **Environmental management practices**, such as soil and biodiversity conservation, and management of water resources. A key informant interview with a farm manager will reveal what are current or planned practices, the extent to which environmental considerations are being prioritised in decision-making, and the level of understanding of the issues.
- **Trades union activities on the farm:** an in-depth interview with any union representatives on the farm will reveal management attitudes towards union representation, how active the union is, and how many workers are involved.

Of course, information collected through key informant interviews will also need to be cross-checked. E.g. If a member of the spray team says that recommended re-entry periods are followed, it is necessary to cross-check with general workers to see if they are aware of re-entry periods and if they are actually honoured.

Key informant interviews may also be conducted as part of a farm tour or transect walk (see later), and therefore combined with visual verification. For example, the farm manager could accompany the audit team for part of a transect walk, and he/she could be interviewed about environmental management practices at relevant points of the walk.

## ❷ Group discussions

Group discussions (rather than talking to people on an individual basis) are useful for:

- Getting a broad picture and general information
- Bringing out different opinions from different members of a group through generating debate.
- Allowing farmers to feel more at ease. Less confident farmers, especially young women, can be much more relaxed and more informative if they have the moral support of their (female) colleagues or friends around them.

**Group size:** As a general guide, groups of between 10-15 members are best for generating good discussion. Less than 10 may not be enough to generate a good discussion, more than 15 may mean that certain quieter members don't get a chance to say anything.

### **Ensuring active participation of all group members:**

- Be aware of dominating individuals, and prompt others to add their views.
- Split larger groups up so that people are in the same group as others whom they feel comfortable with. Exact groupings need to be decided depending on cultural practices and farm management structures. However, it is likely that you will want to:
  - Interview men and women separately
  - Separate supervisory staff from other workers
  - Interview permanent and casual workers separately
  - Separate packhouse and field workers (if relevant)
  - On smallholder farms, separate workers depending on whether or not they are relatives of the farm owner

**Use a diagramming technique:** PRA commonly uses a number of data collection techniques, where interviewees are asked to draw some sort of diagram either on paper or on the ground. The advantage of such techniques is that they help to “break the ice” and relax interviewees; they often encourage shy participants to join in; and they can clarify certain issues which are difficult to do through talking alone. Participatory maps and daily routine diagrams are 2 particular diagramming techniques found to be useful in ISE auditing. These are described in the box below.



**EXAMPLES OF DIAGRAMMING TECHNIQUES FOR GROUP DISCUSSIONS****Daily Routine Diagram**

Draw a clock face on the ground or big piece of paper, and ask the participants to draw on what they are doing at different times of day, using words or symbols to represent different activities as appropriate. With a bit of prompting as the exercise is being conducted, you should be able to draw out the following information:

- Information about accommodation (on or off farm)
- Does farm provide transport for workers, how frequent/regular is transport, what sort of transport
- Typical working hours, how often they work overtime, when does this happen e.g. export days
- Rest periods, are these always taken, are sun shelters/rest areas provided
- Toilets, washing facilities, drinking water – are these available, how far do they have to go to get them
- Health and safety risks, what happens if you get sick or injured at work

Once this exercise has been completed, the workers should be quite relaxed, and you can follow up with more specific questions.

**Participatory Map**

A participatory map is different from an ordinary map in that the process of drawing the map, and the discussions which take place while it is being drawn, are just as important sources of information as the map itself. Also, you can get different groups of people (e.g. men and women) drawing rather different-looking maps of the same area. With participatory mapping, this is **not** considered a problem – such differences tell you something about what is important to different groups of people (what items are drawn first and in most detail) and what is considered insignificant (what is left out of the map).

In an ISE audit, a participatory map will be particularly useful if no “official” farm map is available, and when the auditors are new to the farm. Maps can help to identify environmental features (e.g. water sources, trees) and potential environmental risks (e.g. waste disposal pits close to water courses). However, participatory maps are also useful in identifying certain social issues e.g. the bus stop is far away from the farm, toilets are far away from fields, some workers have much smaller houses than others.

**③ In promptu chats**

*In promptu* chats with individuals or groups of workers are also important, and can be used to clarify or cross-check particular issues where inconsistencies have been identified (e.g. between written records and findings from group discussion). They can be part of the transect walk.

**Visual verifiers – direct observation**

A structured farm tour or transect walk is a very important data collection tool, particularly for identification of environmental issues. The transect walk should be planned so as to take in key visual verifiers e.g. pesticide stores, toilet and washing areas, waste disposal pits. Consider carefully who you ask to accompany you for the walk. If it is a senior member of staff, this will affect what kind of information you are given by workers if you are stopping to chat with workers along the way.

**Triangulation**

No matter how good the data collection technique or verification method you are using, it should always be cross-checked by using at least one other means of verification. The importance of cross-checking – or triangulation – is illustrated in the examples in the box below.

**The importance of triangulation: examples**

- On a pineapple farm in Ghana, the pilot audit team heard from the management that there was a first aid facility on site. Worker interviews confirmed access to first aid. However, visual inspection revealed that there was nothing in the first aid kit apart from paracetamol and plasters. Further, there was no trained staff who could administer first aid in case of an emergency.
- On a pineapple farm in Ghana, the pilot audit team was told by the management that good workers were paid bonuses. However, during the group discussion, workers said that no bonuses were paid. One of the auditors followed this up with an informal chat in *Ga* (worker's mother tongue) with a particular worker that he knew was a hard worker. He revealed that he was indeed paid a bonus by management for his good work, but was told to keep it quiet from other workers to avoid jealousy.

## Audit structure

The exact mix of data collection techniques, how long to spend on each, which to do first will depend on the size and management structure of the farm, crops grown, cultural differences etc. The audit structure used in the Ghana pilot ISE audits is provided below as an example:

### Example audit structure based on Ghana pilot audits:

- ❶ Interview with farm manager(s), accountants, or code manager, combined with document checks.
- ❷ Group discussion with non-permanent workers
- ❸ Group discussion with permanent workers
- ❹ Key informant interviews with pesticide sprayer, farm manager, supervisor
- ❺ Farm tour/transect walk: with farm manager, *ad hoc* chats with workers along the way
- ❻ *In-promptu* chats with individuals or groups during “dead time” e.g. when waiting for farm manager to turn up for interview.

## THE AUDIT PROCESS: Step 3 (post-audit)

After the actual audit (data collection), the following important steps need to be completed:

- Review and synthesis of findings
- Exit interview with farm owner (reporting back, agreeing areas & timetable for corrective action)
- Completion of the audit report

### Review and synthesis of findings

After completing the data collection exercises, the audit team needs to sit down and go through the checklist, filling in any gaps, and identifying areas of non-compliance as well as areas where verifiers were not checked. It is also important to identify particular strengths that can be fed back to the owner during the exit interview. This should be done directly after the interview (best the same day) to make sure that no information is forgotten.

### Exit interview

Once the audit results have been synthesised, an exit interview should be held with the farm owner, or an appointed representative. This can be held on the same day as the audit, or a day or two later depending on the availability of the farm owner. The exit interview should cover the following aspects:

- Clarify any issues raised during the audit;
- Highlight areas in which the farm is doing well, and compliment the owner for his achievements;
- Provide the operator with the chance to say what he/she expects to be the non-compliances;
- Summarise all non-compliances that have been identified and proven during the audit. Be careful about how you phrase things, especially with the social issues. Try to be factual and don't lay blame on individuals. Make sure you protect the identity of workers from whom you have received the information;
- Try to seek agreement from the farm owner that these are non-compliances;
- Classify them into those that are urgent, those where a gradual improvement would do, the easy ones, the difficult/expensive ones;
- Discuss the options to remedy them, and agree an action plan, and what changes will be expected to be made prior to the next audit;
- Ask them if they learned something, whether they found it valuable.;
- Try to leave on a positive note, e.g. developments in the industry, benefits of better management, examples of (unnamed) farms that comply better but also have a better market.

### The audit report

Back at home, best the same day or very soon after the exit interview, the audit report should be written up. The report should include:

- Farm description (the completed farm questionnaire from the preliminary visit)

- The completed audit checklist
- Summary of findings, as interpreted by the audit team
- List areas that were not fully audited
- Recommendations for the next audit
- List of corrective actions proposed by operator, and time-scale for their completion

The report is then signed by the audit team, and filed on the operator file. It will be a crucial document for preparation of the next audit of the farm.

## How much does it cost?

Notes and assumptions:

- 2 auditors per audit;
- Based on employing auditors on a full-time basis;
- Not counting investment costs (computer, training of auditors, vehicle...) or other costs of compliance (just auditing).
- Based on auditing requirements 2 years after the code has been implemented. When the code or the operator is new, more time needs to be spent on pre-audit visits. After 2 years, you may be able to reduce the number of audits, and the time spent on pre-audit visits.

Item	Estimated value per year (£)
<b>Auditing costs</b>	
Auditor salaries (2 x £400 per month x 12 months)	£9,600
Transport and logistical costs	£4,000
<b>Total running costs per year:</b>	<b>£13,600</b>
<b>Number of working days per operator per year:</b> (The figures are based on having a 0.5-day pre-audit visit followed by a 1-day audit, every 3 months i.e. 4 per year; preparation & report-writing estimated at 0.5 days per audit. Each audit will cover half of the scope of the code, so 2 effective audit cycles per year.)	<b>8</b>
<b>No. of operators that can be audited by a 2-member audit team per year:</b> (Assuming 230 working days per year)	<b>29</b>
<b>COST OF AUDITING PER OPERATOR PER YEAR:</b>	<b>£473</b>

N.B. These are rough figures, estimated based on time and costs of carrying out the pilot audits on pineapple farms in Ghana.

## Key lessons

**Importance of good indicators:** good indicators are not always easy to identify. However, the pilot audits demonstrated how critical it is to have indicators that are specific and clearly defined.

**Importance of appointing a Code contact person:** The pilots highlighted the importance of appointing a contact person to be in charge of Code implementation within the farm/export company. This is critical to ensure effective communication of the Code to key personnel, and to ensure that steps are taken to achieve compliance. Without the appointment of a contact person, time is wasted from visit to visit going over the same ground, and no-one feels responsible for taking action.

**Non-written verifiers more accurate, but also more time-consuming & difficult to use:** The pilot audits in Ghana showed that auditing *can* be done on farms where few written records are kept. Indeed, the auditors found that non-written verifiers are often more accurate than written ones, and it would certainly not be possible to get accurate and comprehensive information on a farm's social and environmental performance based on written verifiers alone. However, using non-written verifiers takes more time than using written verifiers. It also makes it absolutely critical to have auditors who are local, and more important that they are knowledgeable and well-trained.

**Building trust is key:** NRET's experience in Ghana and Zimbabwe demonstrates that building trust through repeated visits is key. This is particularly important for labour issues. Until trust is built, information given is likely to be incomplete and possibly incorrect. Frequent visits and continuity of auditors is therefore critical in ensuring the quality of information collected.

**Building capacity is critical:** The aim of auditing is to ensure compliance against social and environmental standards. However, in a situation like the Ghana export horticulture industry, most farms will not be able to reach compliance unless efforts are made to advise and support them on interpreting and implementing code requirements. Inspections alone will not do the job.

**Integrated auditing is better value, but is also more difficult:** Integrated auditing makes more sense than doing separate social and environmental audits. However, it also requires greater diligence, knowledge and training on the part of the auditors. They need to simultaneously keep in mind 3 separate areas of concern (social, environmental and food safety), and to differentiate and categorise verifiers accordingly.

## Areas for further work

**Further field-testing of ISE auditing approach:** This is best achieved through “learning by doing”, especially since the details will need to be adapted for different sectors and locations. This will require putting in place a process for regular reviews of the audit methodology.

**Meeting auditing costs:** Work needs to be done on developing appropriate systems for meeting the costs of auditing within a local, ISE auditing structure. There are strong arguments for operators to pay at least part of the costs of auditing. This will encourage them to take the audits more seriously. A sliding pay scale is recommended, e.g. a percentage of turnover, so as to make sure that the smaller farms are not crippled by the audit costs.

**Guarding against corruption:** Measures need to be found to ensure continuity of auditors, yet minimise the risk of bias and bribery of auditors.

**Auditing outgrowers – whose responsibility?** Responsibility for implementing certain code areas is currently unclear – it often falls somewhere between the exporter and the outgrower. It will be useful to develop guidelines on how to share responsibilities between the two.

**Developing the auditing institutions and systems:** Audits are only one part of a wider system of implementing a code. More work needs to be done on developing systems and institutions to deal with issues such as quality control of audits/auditors, and the approval process. More information on developing appropriate institutions can be found in **Theme Paper 2**.

**Training farm operators on record-keeping:** As we have seen, auditing can be done with few written records. However, the task of the auditor would be made easier if farmers kept better records. Certain improvements in record-keeping would also benefit the farm by increasing management efficiency. National code bodies should consider providing training to operators on record-keeping, focusing on those areas which are of benefit both to the operator and to the auditor.

## For further information...

Please see **Theme Paper 8: Where to Find Further Information**.

The information contained in this paper is distilled from a 3-year study managed by the Natural Resources and Ethical Trade Programme (NRET), in collaboration with Agro Eco Consultancy of the Netherlands and the Centre for Applied Social Sciences (CASS) of the University of Zimbabwe. The study involved in-depth research in Ghana and Zimbabwe and the U.K, and was conducted in close collaboration with key players involved in the supply of fresh horticultural produce to European markets, from farm workers to supermarket buyers. For more detailed information about the findings from the study, please contact NRET (contact details are on the front page). The individual researchers involved in the study were Man-Kwun Chan (Project Leader), Geoffrey Bockett, Mick Blowfield, Stephanie Gallat, Seth Gogoe, Richard Tweneboah-Kodua (NRI); Rufaro Madakadze, Elias Madzudzo, Diana Auret, Edward Mbizo (CASS); and Bo van Elzakker (Agro Eco Consultancy).

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# Appendix 1: Farm Description Questionnaire (sample)

**FARM DESCRIPTION QUESTIONNAIRE**

**DATE:**

1. Name of farm
2. Name(s) of owner:
3. Management:  
Director/Gen. Manager:  
*Other Managers:*
4. Contact Person:  
Postal Address :  
Telephone:                      *Mobile*                      *Fax*
5. Location of farm:
6. Office location:

**Labour**

Total workforce including management:  
Breakdown of current labour force:

Worker status	Total number	Permanent		Casuals	
		male	female	male	female
Director(s)					
Managers					
<sup>1</sup> General Workers					
Drivers					
Security					

**Note:** <sup>1</sup>Workers' status is not well defined. They are supposed to be permanent but have not been afforded full permanent rights

**Assets**

7. Farm history (period of establishment):
8. Total farm size (acres):
9. Active farm size (acres):
10. Farm size under fallow (if any):
11. Farm machinery & equipment:
12. Farm map(check):
13. Soil Analysis (check):

**Farming system**

Crops grown	When started	Cropping system (mono or mixed)	Current stage(s)
1. .... (for export)			
For subsistence			
2.			
3.			
4.			

14. Outline of major farm specific operations/activities from land preparation through to the sale (local & exports) of produce

**Pineapple**

Activity 1		Activity 5	
Activity 2		Activity 6	
Activity 3		Activity 7	
Activity 4		Activity 8	



