Research Report: Sustainability Auditing Good Practices in Response to COVID-19

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Prepared for the ISEAL Alliance

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About ASI

ASI – Assurance Services International – is an assurance partner for leading voluntary sustainability standards and initiatives. ASI offers third-party accreditation for voluntary certification schemes – in short, “auditing the auditors”. We also design and oversee bespoke alternative assurance programs to increase effectiveness and manage oversight in our clients’ systems.
We are a team of more than 70 sustainability professionals with diverse backgrounds and expertise. We have our headquarters in Bonn, Germany, an office in Kuala Lumpur, Malaysia and colleagues based on every continent.
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Executive summary

Since the outbreak of the COVID-19 pandemic the sustainability sector has experienced a major impact to their onsite auditing activities, resulting in many organisations adopting interim solutions to maintain oversight of compliance. ISEAL commissioned ASI to identify possible approaches, good auditing practices, and potential areas for alignment between sustainability standards. This report contains findings from a high-level study of COVID-19 responses from 41 organisations made up of voluntary sustainability standards (VSS), certification bodies (CBs), accreditation bodies (ABs) and other sustainability initiatives. Insights from an in-depth study of a further 11 shortlisted organisations are included.

Responses to COVID-19
The majority of organisations provided an initial response to COVID-19 that included suspending onsite audit activities and offering options to extend certificates from six to 12 months. Over time, remote auditing approaches were adopted, including onsite audit risk assessments. ISO and IAF guidance are typically used as a baseline, supplemented with additional program requirements.

Remote auditing approaches
75% of organisations adopted remote audits where it was not possible to go onsite. For standard setters, remote audits are permitted for surveillance and recertification purposes. Only 33% permit remote initial audits, with the rest opting to put applicants on hold. Standard setters can be very specific on standard scope. For example, some allow producers to receive partial remote audits and manufacturers/traders fully remote, including chain of custody. Two ABs permit CB head and affiliate office assessments, with one AB conducting full or partial remote witness assessments.

Two types of remote audit are used, ‘fully remote’ and ‘partial remote’, the latter featuring one auditor onsite and another offsite. To determine eligibility for a remote audit, comprehensive risk criteria has been developed by 26% of the 41 organisations, with some also incorporating social risks. Challenges remain with connectivity and maintaining the confidentiality and impartiality of remote audits. Conducting site tours and worker interviews remotely makes it challenging to adequately oversee worker health and safety. Partial audits have been positively adopted, allowing auditors to be more strategic about what they assess onsite.

Technology and innovation
No major innovations or technology have formally been adopted by VSS but a number of new technologies are being tested (see section on Use of Technology and Innovation). Organisations are exploring new technology like smart glasses in partial remote audits. There are opportunities to learn from other sustainability initiatives on their data analysis tools and risk assessment approaches.

Good auditing practices – opportunities for alignment
There are opportunities for organisations to come together to align their remote auditing approaches. Some initial suggestions include agreeing how remote audits are used in the longer-term, maintaining confidentiality and impartiality - particularly when conducting worker interviews remotely, building auditor competency for remote auditing practices, oversight and monitoring the impacts of COVID-19.

Conclusion - plan for the longer term

COVID-19 has been a catalyst for change to the auditing process. The majority of organisations adopted remote auditing where onsite audits are not possible and developed new procedures to implement them. However, organisations are still in the phase of learning and experimentation for what credible remote auditing looks like. Organisations must consider the following in the longer-term:

- Effectiveness of their remote auditing approaches
- Impacts of their COVID-19 responses on their assurance systems
- Risks COVID-19 poses on the supply chain, such as fraud or social responsibility

The speed at which organisations have adapted should be seen as a positive. However, the solutions must be sufficient to maintain credibility. Now is a time to collectively learn from each other and consider how remote auditing can become a tool that complements onsite audits to make assurance more effective for the future.

Introduction

The Coronavirus disease (COVID-19) has become a global pandemic since first being detected in China in late 2019, resulting in mass loss of lives and ongoing impact on global social, environmental and economic infrastructures. For the sustainability sector the outbreak has impacted auditing practices, among other ramifications. Due to the health and safety risks COVID-19 poses, many countries were placed on lockdown, preventing businesses from operating and auditors from conducting onsite audits.

For most sustainability systems, onsite auditing remains the primary tool used to verify performance against a sustainability standard. As these became untenable, interim solutions were put in place by VSS and sustainability initiatives to ensure the continuing validity of certificates and programs. Whilst these responses offer short term solutions, the COVID-19 pandemic remains, making it difficult to plan ahead and provide longer term options to mitigate the ongoing risks to integrity. This challenge also creates an opportunity to analyse responses and align approaches to manage the quality and consistency of auditing practices.

In July 2020 ISEAL embarked on a project, funded by IDH (The Sustainable Trade Initiative), to align sustainability auditing good practices in response to COVID-19. The overarching goal of the project is to ensure the integrity, continuity and effectiveness of sustainability assurance under crisis conditions.

ISEAL commissioned ASI in July 2020 to identify **possible approaches**, **good auditing practices**, and potential **areas for alignment** between sustainability standards. The project was designed to document existing practices by compiling and analysing COVID-19 policies and procedures put in place by a broad range of VSS, ABs, CBs, and other sustainability initiatives. This was supplemented by reviewing what steps have been taken to maintain oversight of worker health and safety in the context of remote auditing.

This report provides an overview of a wide range of COVID-19 responses, giving insight into methods of how remote audits are being conducted, their benefits and challenges, and where specific technology or innovation has been used. Opportunities for alignment of good auditing

practices have been identified. The report will be used as part of ISEAL's wider work in 2020 and 2021.

Methodology

The research and report were developed by ASI within 20 working days between July and August 2020. The research consisted of three key phases:

1. High-level scan of 41 organisations consisting of VSS, ABs, CBs and other sustainability initiatives (see Annexes).
2. In-depth study of 11 short listed organisations.
3. Research interviews with five organisations.

An initial step was to define what data needed to be collected on the COVID-19 responses, remote auditing practices, and applied technology/innovative solutions. Posing the question of what good auditing practice looks like, ASI developed a framework for the high-level scan which charted an organisation's first response (where available) following the outbreak of COVID-19 and its effect on auditing practices. Current responses were also analysed, giving the ability to see how these responses changed over time. A secondary framework was created for the in-depth research which charted remote auditing practices in detail, the mechanisms used to oversee worker health and safety, complementary technologies and what good auditing practices have been applied.

ISEAL provided an initial list of organisations consisting of voluntary sustainability standards, ABs, CBs, and other initiatives. A further in-depth study was conducted of a small group of these organisations, shortlisted by ASI based on their diversity, the depth of their COVID-19 responses and additional measures or tools used that would be beneficial to examine in greater detail.

Data was collected in July 2020 using publicly available information such as policies, procedures, derogations, statements, and social media articles sourced from websites and LinkedIn, published between 1 March to 17 July 2020. To supplement the in-depth study, a small group of participants agreed to join 45-minute one-to-one interviews discussing key topics, such as:

- **Responses to COVID-19**
  What has worked well and not so well in implementing your response to COVID-19?
- **Remote auditing**
  How did you integrate remote audits into your assurance system?
- **Applied technology/innovations**
  What innovative solutions have you applied or are currently testing in your assurance system, before or in response to COVID-19?

Summary of responses to COVID-19

ASI conducted a high-level scan of 41 organisations (see Figure 1) to collect information on their responses to COVID-19.

78% of organisations issued a public response to COVID-19. The majority first responded to the emerging COVID-19 crisis in March 2020 when the virus was declared a pandemic by the World Health Organisation[1]. A collection of statements with messages of support were published,

[1] World Health Organization, WHO Director-General's opening remarks at the media briefing on COVID-19 (March 2020), available online

alongside global policies stipulating the organisation's stance on maintaining the integrity and oversight of its certificate holders, members and applicants.

There was a consistent approach to suspend onsite audits entirely or to suspend on a case by case basis. Options for extending certificates by three, six and up to 12 months were offered subject to eligibility. For example, extensions based on risk (medium three months, low six months) or standard extensions of three months if a desk or remote audit is not possible were common.

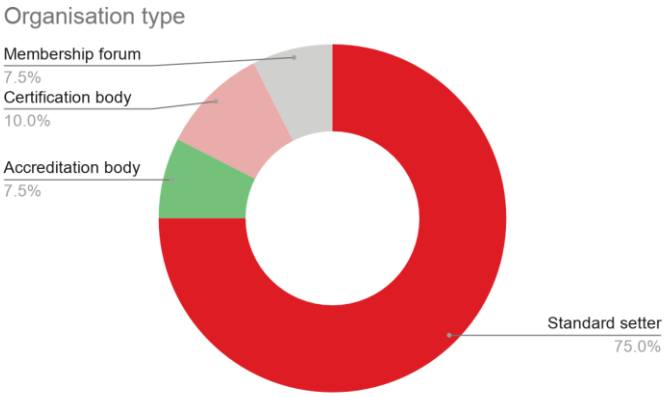

Figure 1 organisation type

Remote auditing approaches were adopted by some, but the process was at an early stage and varied in its approach. Typically, remote audits were performed for surveillance and recertification audits, with some caveats such as timebound (if the audit was due by 30 June 2020) or scope (Chain of Custody only).

> ***"Ultimately, it was not acceptable for organisations to hold certificates without having any form of oversight." - Interviewee***

The research identified just under half of the organisations changed their COVID-19 responses over time (see Figure 2). Many were updated between May and June 2020, prompting ASI to review the initial response (where available) and the current response to analyse what had changed. These changes centered around:

Adoption of remote audits: around 75% of the organisations adopted remote audits where it was not possible to go onsite. One standard setter did not permit remote audits against their social standard, instead opting to extend certificates by three months. Information on COVID-19 responses was unavailable for the remaining eight organisations, and remote auditing was not applicable for one standard setter that operates a project based scheme.
Whilst the remote auditing approaches share commonalities, like the types of remote audit that can be performed, there are differences with definitions and outcomes (more are explored in the remote auditing chapter). To summarise their remote auditing approaches:

Standard setters and membership forums

- Most permitted remote audits for surveillance and recertification.
- 33% permitted initial audits to be conducted remotely, with the rest opting to put applicants on hold.
- Organisations can be very specific on standard scope. For example, some allow producers to receive partial remote audits and manufacturers/traders fully remote, including chain of custody.
- Certification decisions can be made depending on the type of remote audit conducted and the organisation's risk (for example, additional onsite audits may be required should a major non-conformity (NC) be raised).

- The validity of remote audits varies amongst organisations in some cases: provisional certificates can be issued under a restricted time period (between one and two years validity) or they can be followed up with an onsite audit as soon as feasible (within six to 12 months).

Certification bodies

- All of the five CB's evaluated offered remote audits as an option. Three CBs had no specific public policy. Instead they referred to the standard setter's requirements.
- FLOCERT and NEPCon have more in-depth guidance covering risk classification for deciding to conduct onsite audits (these are explored further in the remote auditing chapter).

Accreditation bodies

- ASI and IOAS permit CB head and affiliate offices to be conducted remotely, either fully remotely or partial for surveillance and re-accreditation. ASI are conducting remote witness assessments, IOAS plan to being doing them from September 2020.
- ASI may conduct initial accreditation assessments remotely, whereas IOAS are unable to grant accreditation without an onsite assessment.

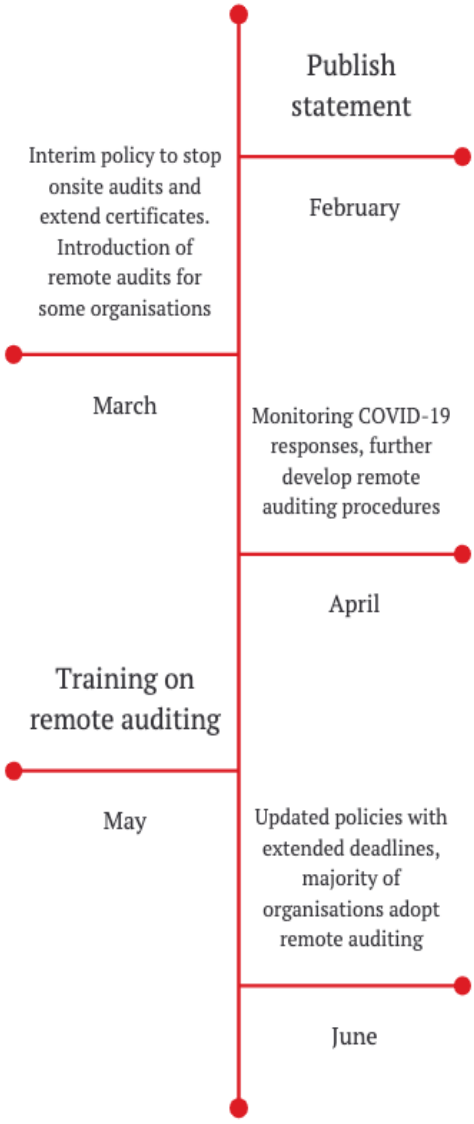

Figure 2 timeline of 2020 COVID-19 responses

Extending certificates: at the beginning of 2020 nobody could predict the full effects of COVID-19 and how long the virus would prevail - initially organisations provided a short-term extension to certificate validity dates, whereas now they are looking to provide options until the end of 2020 and beyond (see Figure 3). Note, this table contains certificate extension periods for current policies as of 1st July 2020. For 'not specified' this means either an extension deadline was not stipulated in the organisation's policy or no policy was available.

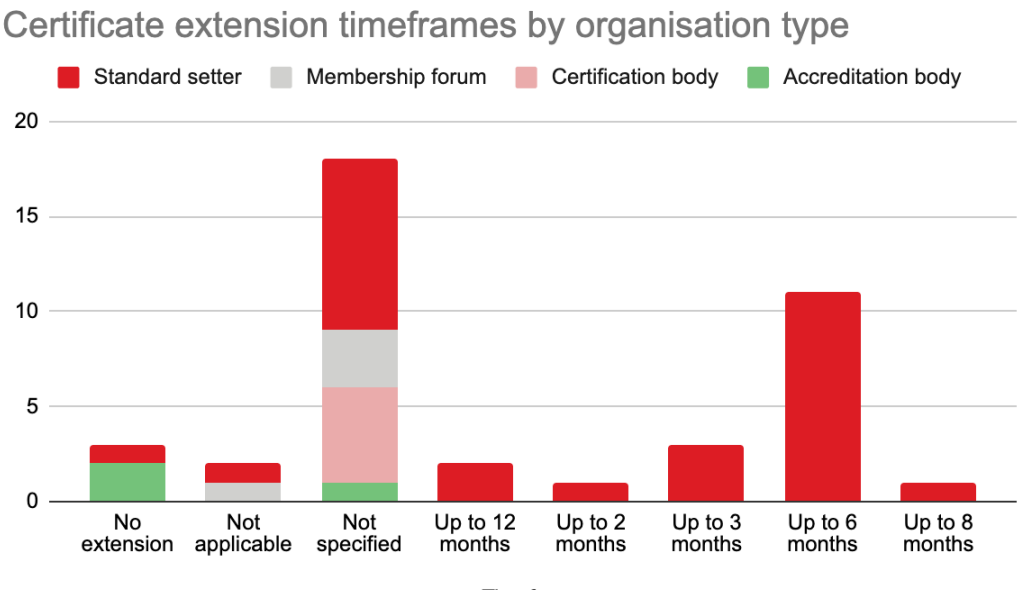

Figure 3 certificate extension timeframes by organisation type

Risk-based approaches: 26% of organisations (see Figure 4) implemented some form of risk-based approach 1. To assess the feasibility for an onsite audit or 2. To assess the risk of non-compliance presented by the certificate holder/member.

As travel restrictions vary by country, some organisations developed frameworks to decide if CBs can proceed with an onsite audit. Some of the factors include:

- The level of transmission risk within the country/region/locality;
- If borders are open;
- If domestic travel infrastructure is in place;
- Health insurance coverage; and
- If the auditee is operational.

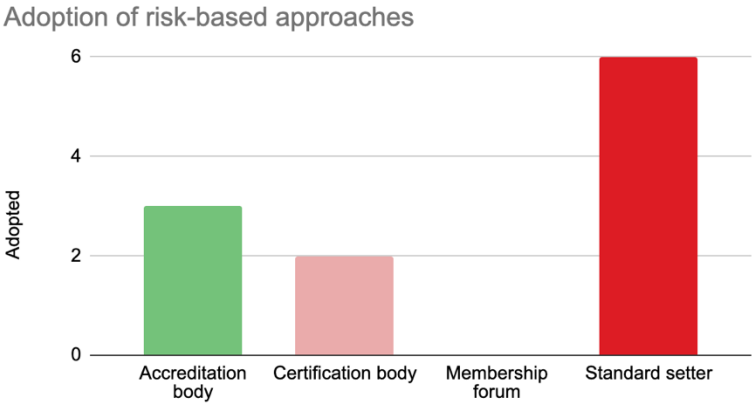

Figure 4 adoption of a risk-based approach by organisation type

In some cases, this is followed up with health and safety guidance, for example:

- Limit travel by using local auditors where possible;
- Be diligent with personal hygiene;
- Limit interaction with audit participants;
- Avoid regular touching of surfaces; and
- Request digital records rather than physical.

Comprehensive eligibility criteria were developed for remote audits by nine of the organisations assessed in the in-depth study, with some of the organisations incorporating a risk-based approach to assess non-compliance presented by the certificate holder/member. Three risk-based approaches are outlined in the remote audit chapter.

CBs have applied many changes to their operations. Whilst they published their own statements and service options for conducting audits remotely, they are dependent on the policies set by the standard setter, requiring them to learn and apply different approaches, not just with their clients but also the oversight applied to their operations by ABs.

In-depth study of remote auditing approaches

ASI conducted an in-depth study of 11 organisations consisting of five standard setters, three CBs, two ABs and one membership forum, who were shortlisted from the initial 41. All organisations work with social standard requirements including health and safety. ASI analysed their COVID-19 responses in further detail, with a focus on:

- Remote auditing practices;
- Oversight of worker health and safety;
- Technology applied to support their assurance responses; and
- Identification of good auditing practices.

Interviews were conducted with five of the organisations to discuss their approaches in further detail.

All of the organisations selected introduced remote audits as part of their COVID-19 response. Two (ABs) piloted remote auditing before the COVID-19 outbreak, developing it as a way to supplement the annual onsite audit and reduce their environmental impacts. Most policies or procedures make reference to ISO 9001 Auditing Guidance on Remote Audits[2], IAF ID 12:2015[3] or IAF MD 4[4], using these documents as a baseline and supplementing them with practical guidance/requirements for CBs, auditors, certificate holders and members.

Types of remote audit

Remote audits generally come in two types with different terms used to describe them (see Table 1). For partial remote audits there are two different variations:

1. One auditor performing the onsite portion of the audit and one auditor performing the remote based portion, conducted on consecutive days
2. One auditor onsite and another off site working in tandem to conduct the audit.

This latter option seemingly provides flexibility to CBs and ABs with their audit team selection. For example, a social auditor or technical expert can join the audit remotely and direct the onsite auditor.

Table 1 definition of remote audit options

Audit type	Other terms used	Common definition
Remote	Virtual assessment, standalone remote audit, desktop audit	An audit of a site that is conducted entirely off-site using technology to gather and review information and interact with auditees.
Partial remote	Initial remote audit, hybrid audit, partial desk audit	A two-part audit comprising one, desk-based portion completed off-site using technology to gather and review information. Two, a targeted onsite audit completed by an auditor OR two auditors (one onsite directed by another offsite).

[2] ISO, ISO 9001 Auditing Practices Group Guidance on: REMOTE AUDITS Edition 1 (April 2020), available online
[3] IAF, IAF Principles on Remote Assessment Issue 1 (IAF ID 12:2015) (December 2015), available online
[4] IAF, Mandatory Document for the Use of Information and Communication Technology for Auditing/Assessment Purposes Issue 2 (IAF MD 4:2018) (July 2018), available online

Eligibility for remote audits – risk-based decision making
Remote audits are applied in cases where an onsite audit is not possible, except for initial audits where only 33% of organisations permit them.

Comprehensive risk criteria have been developed by 10 of the 11 organisations assessed in the in-depth study. 6 focused on the auditees risk of conformance, whereas 4 focused on the feasibility for conducting an onsite audit. These approaches appear to have been implemented during COVID-19, providing a practical framework for ABs, CBs and auditors to decide if they can go onsite or switch to a full or partial remote audit. Three examples are summarised below:

1. From Aquaculture Stewardship Council - a country social risk matrix using two data sets:
    a. taking average scores of four internationally-recognised indices from World Governance Indicators, Trafficking in Persons Report, Transparency International and the Global Slavery Index.
    b. an internal data set using the number of social non-conformities (NCs) raised through previous auditing activities.

    CBs can use the matrix to identify where they can conduct remote audits i.e. low and medium risk countries.

2. From the CB NEPCon - a live interactive global map identifying high, elevated, medium and low risk countries using data from government, local authority advice to media articles. The map is used to inform and organise CB auditing activities.

3. From Sedex - a suitability check is conducted by the CB who assesses:
    a. Technology - Wi-Fi connection, access to a device with camera (min 8-megapixel camera), ability to download software;
    b. Site commitment - of the remote assessment process, documentation requests, availability of a detailed site map;
    c. Site history - any known issues with site transparency, coaching or bribery;
    d. Operational - can all areas of the site and the diversity of the workforce be assessed virtually;
    e. Direct worker engagement compatibility - can group interviews be conducted as part of the audit or if a direct worker reporting tool is required.

How remote audits are conducted
Once a remote audit has been scheduled, the process to complete it follows four key stages (planning, preparation, execution, reporting) that are applied by each organisation (see Table 2).

Table 2 summary of collated remote audit processes

Process	Tasks
Planning	Verify eligibility Review auditee self-assessment
Preparation	Determine the technology to be used Test connectivity Collection of documents Determine the number of participants to attend the virtual meetings and the number of workers to be interviewed
Execution	Desktop review - documents / satellite images / photographs / videos Live interaction - virtual meetings (including opening, closing) / site tour / worker interviews

Process	Tasks
Reporting	Write and publish the summary of findings and report, noting any COVID-19 related impacts

Some organisations developed ways in which they tracked the impacts of COVID-19 on their assurance systems, two examples:

1. Aluminium Stewardship Initiative - created an 'unable to audit' rating for standard requirements the auditor was unable to verify remotely. In these cases, a provisional certificate is issued, and the standard requirements are flagged for assessment at the next onsite audit.
2. NEPCon - introduced a 'COVID Button[5]' to register and track where their operations have been impacted by COVID-19, including the effect on auditees such as, cancelled, postponed or changed audits.

Assessing social responsibility remotely

Three of the organisations had developed requirements and guidance for auditing social responsibility requirements remotely. Some of their features are summarised below:

- **Identification of social standard requirements that can't be accessed remotely**:
  - Sedex removed the following from their SMETA virtual assessment 'land rights, anything requiring sensory evidence, undeclared subcontracting & homeworking and community benefits'.
  - The Aluminium Stewardship Initiative, stipulates where prior major NCs have been raised, a remote assessment would be insufficient to fully rate the following criteria 'land rights (indigenous peoples; free, prior and informed consent (FPIC); cultural and sacred heritage; resettlements), freedom of association and collective bargaining, child labour, forced labour, non-discrimination, community and engagement, disciplinary practices and employee engagement on health and safety.

- **Assessment of COVID-19 impacts on social responsibility requirements**:
  - Social Accountability Accreditation Services (SAAS) created a SA8000 COVID-19 auditor quick reference guide that outlines COVID-19 issues for review. For example, health and safety 'check the company's efforts to prevent, minimise virus spread in the workplace', 'has training been provided on COVID-19 issues' and 'have there been efforts to protect vulnerable workers like pregnant women, disabled or workers with a health condition'.
  - Sedex developed a COVID-19 Impact Assessment. An extension to their existing self-assessment questionnaire (SAQ) that is sent to an auditee ahead of the audit or throughout the year as an additional oversight tool. This assessment is used to gain insights on the impacts of COVID-19, covering measures taken by an auditee to protect worker health and safety.

- **Worker interviews**:
  - SAAS do not conduct conventional worker interviews during fully remote audits. Instead the auditor follows-up on worker feedback received in response to a letter that is sent to workers ahead of the audit. For partial audits, the interviews are conducted by the onsite auditor as per the conventional process. The results are (confidentially) provided to the lead auditor - the interviews are not recorded or streamed via video conferencing software.

[5] NEPCon, Auditing standards remain in place despite COVID-19 challenges (May 2020), available online

- Sedex conduct group worker interviews using their virtual assessment tool. Where this is not possible they use direct worker reporting via a worker voice tool called Engage[6] developed by &Wider.
- When discussing worker interviews, an interviewee noted a method one auditor used to conduct a worker interview: "*the auditor connected with the worker using their WhatsApp, they asked to see the workers ID to verify their identity and instructed them to pan the camera around the room to prove that they were alone during the interview*".

Maintaining auditor competency

Little information is available for what training is provided to auditors on remote auditing. Some webinars were conducted with auditors, certificate holders and members. IOAS presents a good example - they hosted a webinar where CBs each presented their approach for conducting remote audits.

Some policies incorporate CB auditor requirements to manage the impact of the reduction in onsite audits and the auditor's ability to qualify or maintain their audit scope. The Forest Stewardship Council (FSC) stipulates 'the number of days conducted as desk-based audits during 2020 may count as auditing days for retaining auditor status' or, for auditor rotation, 'the rotation period may be extended by one audit'.

Challenges with remote auditing

> ***"We have to acknowledge that it's not possible to achieve what you would during an onsite audit." - Interviewee***

During the interviews, participants were asked what challenges they have experienced or received feedback about when conducting remote audits:

- **Video conferencing platforms and connectivity** - not all of these are accepted. For example, in China only specific platforms are accepted. Not all auditors or auditees (in the case of some farmers) are familiar with all types of video conferencing platforms or have access to this technology or a good enough Wi-Fi connection. Whilst a telephone can be used, this prohibits the auditor to have full interaction with the auditee and the site.

- **Confidentiality** - some auditees have expressed concerns with confidentiality and security of the information being transferred to the auditor. This situation can be exacerbated by some files being too large to send via traditional email, and other tools like Dropbox or WeTransfer are needed.

- **Maintaining impartiality** - NEPCon published an article[7] where an auditor described some of the challenges to impartiality when conducting remote worker interviews: '*for remote audits, the workers are interviewed while being observed by the management*'; '*tough for an auditor to randomly sample interviews because there is a risk that the organisation may select someone familiar with the process for the interview. There is a threat to the certificate impartiality*'; '*non-verbal communication that can help detect inconsistencies, if any, is difficult to capture during a remote audit.*'

  Photographs and videos are referenced as documentary evidence for compliance. However, there is no instruction to clarify who is capturing the images and photographs and from what time period. It's challenging to rely on them as credible evidence, unless they are captured by a member of the audit team.

[6] Engage, &Wider, 2020, available online
[7] NEPCon, How audits go virtual, auditors tell (May 2020), available online

- **Time and time zones** - remote audits may take longer as more time is spent on the preparation and coordination. Uploading files (particularly video recordings) can be time consuming depending on the speed of the auditor's Wi-Fi connection. One interviewee said that some auditees did not value remote auditing in the same way as onsite, challenging the fees for preparation and reporting time. On occasion, auditor and auditee time zones will be incompatible, resulting in the auditor working at unsociable hours to complete the audit.

- **Overseeing health and safety** - although livestream videos can be used to tour a facility, they can miss some important factors when assessing health and safety. These include peripheral vision, sounds, smells and particularly the facial expression of workers. Auditor health and safety onsite is also a cause of concern, and routine health and safety assessments are a must before each audit.

Positives of remote auditing

> ***"Partial remote audits can allow the auditor to assess documents remotely and use the onsite audit to really target the areas and be strategic about what needs to be assessed onsite." - Interviewee***

To summarise the positives, the majority of interviewees agreed that implementing remote auditing, particularly partial remote audits, has been positive and *'not as challenging as they initially thought'*. In some cases, organisations were developing a remote auditing option pre-COVID-19, to better use the auditor's time more effectively when onsite. In these cases, COVID-19 has been the catalyst to push the uptake of remote auditing more quickly. For CBs and auditees, remote auditing reduces the cost, as less time and expenses are attributed to travelling. This is an important factor for businesses who will have significant financial constraints.

Use of technology and innovation

To conduct remote audits, electronic video conferencing tools were used by all organisations, mainly Microsoft Teams and Zoom, with one organisation developing their own software.

Other technologies emerged that had been deployed or tested by the organisations:

Risk management: Sedex's Radar[8] is an online tool that enables businesses to identify key and relative labour, human rights, governance and environmental risks within their own business and across their supply chains. Businesses can conduct risk assessments to assess risks by country, sector and site. The tool combines inherent country and industry sector risk information using data from (World Bank, ILO, Freedom House etc) with the data collected from audits (see ELEVATE Intelligence below as another example of a similar tool).

Smart glasses: a form of mixed reality that incorporates features such as a touchpad, camera and interactive display. Two versions were tested by IOAS and Control Union, Microsoft Hololens 2[9] and Google Glass[10], with Control Union adopting them into their Hybrid audit service[11]. There was no formal feedback on their usage, and they need to be more thoroughly tested. However, both tools are expensive, with one interviewee commenting they would not expect to deploy this type of expensive equipment widely.

Visual assistance platforms: SightCall[12] is a platform which enables users to connect through augmented reality-powered visual assistance platforms, using a mobile application or even smart

[8] Sedex, Radar risk assessment tool (2020), available online
[9] Microsoft, Microsoft Hololens (2020), available online
[10] Google, Google Glass (2020), available online
[11] Control Union, Control Union certification develops hybrid audit solution (2020), available online
[12] SightCall, SightCall (2020), https://sightcall.com/

glasses to solve problems and exchange information in real time. As with the smart glasses this requires further testing for the auditing/certification industry.

Worker voice applications: &Wider have developed a range of options to engage workers, and Ulula[13] have similar communication and engagement tools. One other method that has been announced by FLOCERT is the use of WhatsApp for receiving allegations[14].

Other supportive innovations of note:

COVIDShield[15] certification, a type of certification provided by Control Union that ensures businesses are safe to open for staff and customers.

Drone technology: Drones are unmanned aerial vehicles that are piloted remotely. PWC UK has begun to use drones in their auditing activities to collect data for surveying land and environmental monitoring[16]. With the uptake of partial remote audits, could the use of drone technology assist in surveys or capturing video footage of a site?

ELEVATE Intelligence[17] (EiQ), a comprehensive suite of supply chain analytics designed for investors, brands, suppliers, factories and workers. It blends different data (public domain, worker engagement, audit data, and big data) to assess risk and can be used to:
-Identify countries and sectors at risk
-Build country risk maps
-Granular risk assessments
-Be integrated with other data such as worker voice tool results.

E-certificates: Accredible[18] has developed a platform whereby certificates can be issued digitally using a QR code technology which links back to an online database of certificate holders. The initiative is being launched by UKAS[19] and may be a good option to protect the integrity of certificates when so many are being updated with different validity dates as a result of COVID-19.

Opportunities to develop good remote auditing practices

> ***"ISEAL could play a central role in bringing its members together to align on approaches and learn from each other on best practices" - interviewee***

Interviewees were asked where they think organisations could align on good auditing practices in the context of remote auditing. Since 2020, organisations have adjusted their assurance systems quickly, a process which before COVID-19 many were slow to do. Seizing this moment for change creates an opportunity to further refine remote auditing procedures and come together to align on many areas of good auditing practice:

Use of remote audits

Whilst the majority of organisations use both remote and partial audits for surveillance and recertification audits, there are some differences between the outcome of those audits and the eligibility criteria. Interviewees felt it was important to align on how remote audits will be used longer term: "*if one organisation allows audits to be conducted entirely remotely, this could create pressure for other organisations to follow suit in response to certificate holders and other stakeholders not understanding why this approach may work for one scheme and not the other.*"

[13] Ulula, 2020, https://ulula.com/
[14] FLOCERT, FLOCERT launches WhatsApp for allegations (July 2020), available online
[15] CovidShield certification, Control Union, 2020, available online
[16] PWC UK, Drones (2020), available online
[17] ELEVATE Limited, EiQ (2020), available online
[18] Accredible, Accredible (2020), https://www.accredible.com/
[19] UKAS, UKAS to launch e-certificates (November 2019), available online

One example is maintaining oversight of worker health and safety remotely. Some interviewees felt partial audits are the best method, providing flexible options for planning (e.g. auditor competency, an environmental auditor onsite and a social auditor offsite). However, one interviewee felt this method still has challenges – for example, too much focus could be spent on equipment checks (e.g. placement of fire extinguishers) rather than workers.

For CBs it has been challenging when standard setters apply different policies. Some are less flexible than others on the use of remote audits, making it hard for the CB to continue to maintain compliance checks.

There is an opportunity to explore different scenarios and align on approaches where remote audits can be used as a credible mechanism to verify conformance. Responses and approaches will differ in cases where we are focused on management systems versus product standards or social versus environmental requirements. However, agreeing on a set of eligibility criteria may help to establish consistency and better articulate how organisations are maintaining oversight of compliance to their stakeholders.

Risk-based assurance
In response to COVID-19, a few organisations developed risk assessments to manage their audit activities and decide who is eligible for remote audits. These frameworks assess the feasibility for an onsite audit using country-specific indicators assessing official guidance, travel restrictions, and virus transmission rates using data from national governments, the World Health Organisation and media. Other frameworks assess the risk of certificate holder conformance such as on social risk. This latter type of approach could be developed into a broader risk management tool, like the ones referenced in the technology and innovations chapter, presenting an opportunity for organisations to align on how to quantify client risk to inform the feasibility and sufficiency of remote assurance approaches.

Confidentiality
There was minimal guidance for maintaining the confidentiality and security of data, beyond the CB establishing an agreement with the auditee. The ASC outlined requirements for recording data such as, ‘only record data with explicit consent of the interviewees’ and ‘verify and sign a checklist provided by the auditor containing at least the medium, date of recording, a short description and duration of storage of all that was recorded as part of the audit’. Considering that some organisations don’t permit the recording of worker interviews, we have to ask ourselves, is it ethical to record them?

For data storage, the ASC instructed CBs to ‘collect and store all data using up-to-date security practices’ ‘including access control and encryption for transmission of data.’ Are these new types of requirements for CBs? Could they be expanded on? And how do we maintain oversight of them? These questions present an opportunity for further discussion and alignment amongst organisations on what is considered to be best practice.

Impartiality
One of the challenges highlighted in this report is remote worker interviews and maintaining the impartiality of the selection process and the interview itself. Common guidelines could be established for how to manage the selection of interviewees and methods to ensure that they are impartial e.g. workers have not been coached and there are no management representatives present.

Another aspect to consider is the use of translators. Whilst this should not be a new factor for auditors, attention should be given as to who selects them and how they are used during the remote audit. For example, one guidance document required ‘translations [to] be ensured by a representative of the auditee to the inspector’. This could pose a risk to impartiality. Typically, best

practice is for the auditor to select translators themselves. One solution that an interviewee shared is the use of Zoom language interpretation[20] in meetings. This tool allows a Zoom host to bring in an interpreter who can provide translation using a separate channel so the interviewee cannot hear them.

Worker interviews
Worker interviews remain one of the most challenging areas of remote auditing. Exchanging on the different methods that are being applied to conduct worker interviews and capture worker voice effectively in remote audits would present a good opportunity for organisations to align on common method.

Auditor competency and oversight
Organisations are maintaining oversight of CBs and auditors through observation of remote audits and review of audit reports. For ABs, remote head and affiliate office assessments are being conducted, including witness assessments. Interviewees expressed the need to communicate regularly with auditors and encourage calibration. Feedback from auditees should be gathered to improve the remote auditing process.

As COVID-19 policies are evolving with many new requirements for CBs and auditors, it's important to continue to maintain oversight. Processes could be aligned, especially for auditor qualification requirements (where these were not adopted) to ensure the consistency and quality of remote audits for the longer term.

Monitoring the impacts of COVID-19
We don't know how the disruption of audit activities will affect an organisation's ability to collect data for their annual impact programs. The scope of this project focused on auditing practices. However, this climate creates an opportunity for organisations to consider expanding their impact programs to incorporate COVID-19, particularly around the health and safety of workers within the supply chain.

Conclusions

The majority (75%) of organisations adopted remote auditing practices where onsite audits were not possible and developed new procedures to implement them. However, organisations are still in the phase of learning and experimentation for what credible remote auditing looks like, with remote auditing of social standard requirements emerging as a challenge. There is greater potential for environmental standard requirements to be audited remotely with the support of technology like drones and satellite data.

The high level and in-depth studies identified the following common areas of alignment amongst the organisations:

- Two types of remote audit are used – fully remote and partial remote.
- Remote audits are used for surveillance and recertification audits. ABs commonly use them to conduct desk and head office assessments of CBs.
- The remote audit follows a four-stage process (plan, prepare, execute and report) with greater emphasis put on the preparation stage to ensure there is good internet connectivity and a willingness from the auditee.
- A proportion of the organisations (26%) have implemented a risk-based approach to assess the feasibility for an onsite audit or to assess certificate holder/member conformance.
- Where an audit is not possible organisations have opted to extend certificates mainly up to three to six months.
- Video conferencing tools such as Zoom and Microsoft Teams are mostly used with some ad-hoc testing of other technology.

[20] Zoom, language interpretation in meetings and webinars (2020), available online

The study also concluded that further work is required for remote audits to be a longer-term credible alternative. The following opportunities for further development were identified:

- Explore and align on risk-based approaches and the types of data that can be used to better manage audit activities and decide who is eligible for a remote audit. For example, align on country indicators for social or environmental risks using common data metrics.
- Strengthen and align on confidentiality requirements for data usage and the conduct of worker interviews. Similarly, for impartiality, strengthen requirements for how workers are selected and how the interviews are conducted.
- Exchange on approaches to audit health and safety requirements and on conducting worker interviews remotely and align on common methods.
- Maintain and possibly increase oversight of remote audits.
- Expand impact (monitoring and evaluation) programs to incorporate the impacts of COVID-19 on the supply chain. For example, impacts on the health and safety of workers, labor practices and impacts on the environment such as energy usage. Similarly, track the impacts of COVID-19 on assurance systems. For example, where an auditor has been unable to audit a standard requirement remotely or an onsite audit was not possible due to COVID-19.

"Too many audits and not enough auditors" – Interviewee

The long-term effect of COVID-19 and how long the pandemic will continue to impact society is not clear. The research has shown that standards and assurance organisations have responded to the pandemic in an agile way, by quickly adapting their assurance systems to provide short term solutions to manage their audit activities, later updating them to provide solutions that will cover them until the end of 2020 (see figure 2). What will organisations do to manage the longer-term impacts of COVID-19 on their assurance systems?

If not managed proactively, it could result in 'a backlog' of audit activities that will require enough auditors and careful planning to overcome. Another factor is the long-term impacts to businesses applying for certification. The majority are not eligible for remote audits, meaning their applications are on hold pending the lifting of travel restrictions. As we start to see travel restrictions being lifted and then later reinstated, what measures can be taken to enable applicants to enter into the system and prevent them from being on hold for long periods of time?

As we see organisations reinstating their operations and applying new health and safety policies, we may see further restrictions on the number of auditors that can be onsite, resulting in either the COVID-19 responses being extended or an uptake in partial remote auditing. With the pandemic triggering a downturn on global economies, disruptions to supply chains will continue. Longer term, could this increase the pressure for companies to commit fraud? Or could we see compliance to social responsibility be at a greater risk?

These factors have created many challenges for organisations to overcome. Whilst the speed in which organisations have adapted should be seen as a positive, the solutions must be sufficient to maintain credibility. VSS for some time have been slow to adapt their assurance systems and harness new technologies, but now is the opportunity to seize the moment and consider a longer-term approach. Collectively, we can align on approaches and learn from each other to develop new best practices. This will create an opportunity to respond proactively and consistently to challenges in the future.

Annexes

Abbreviations

AB: accreditation body
ASI: Assurance Services International
CB: certification body
IAF: International Accreditation Forum
ISO: International Organization for Standardization
NC: non-conformity
SAQ: self-assessment questionnaire
VSS: voluntary sustainability standards

Participants and contributors

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Limitations

The research data was collected from publicly available information between 1 March to 17 July 2020, new responses and procedures may have been developed and published after this time that were not collected and factored into the research and this report. Similarly, many of the organisations have supporting internal procedures that may provide further insights beyond publicly available information. Some individuals that ASI invited to participate in a research interview were unavailable due to the summer holidays, resulting in a smaller group of participants.

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List of organisations researched

Organisation	Organisation type	High level study	In-depth study
AIM Progress (European Brands Association)	Membership forum	☑	
Alliance for Water Stewardship	Standard setter	☑	
Aluminium Stewardship Initiative	Standard setter	☑	☑
amfori (BSCI program)	Standard setter	☑	
Aquaculture Stewardship Council	Standard setter	☑	☑
Assurance Services International	Accreditation body	☑	
Better Cotton Initiative	Standard setter	☑	
Bonsucro	Standard setter	☑	
British Ornamental Plants Producers (BOPP)	Standard setter	☑	
Bureau Veritas	Certification body	☑	
Control Union	Certification body	☑	☑
Fair Trade USA	Standard setter	☑	
FLOCERT	Certification body	☑	☑
Florverde	Standard setter	☑	
Forest Stewardship Council (International)	Standard setter	☑	☑
Global Coffee Platform	Membership forum	☑	
Global G.A.P	Standard setter	☑	☑
Global Infrastructure Basil	Standard setter	☑	
Gold Standard	Standard setter	☑	
GEO Foundation	Standard setter	☑	
Goodweave	Standard setter	☑	
IOAS	Accreditation body	☑	☑
Kenya Flower Council	Standard setter	☑	

Organisation	Organisation type	High level study	In-depth study
Linking Environment and Farming (LEAF)	Standard setter	☑	
Marin Trust	Standard setter	☑	
Marine Stewardship Council	Standard setter	☑	
More Profitable Sustainability (MPS)	Standard setter	☑	
NEPCON	Certification body	☑	☑
Rainforest Alliance	Standard setter	☑	☑
Responsible Jewellery Council	Standard setter	☑	
Roundtable on Sustainable Biomaterials	Standard setter	☑	
Roundtable on Sustainable Palm Oil	Standard setter	☑	
SAI Platform (Sustainable Agriculture Initiative Platform)	Membership forum	☑	
Sedex (SMETA program)	Membership forum	☑	☑
Social Accountability Accreditation Services (SAAS)	Accreditation body	☑	☑
Sustainability Initiative of South Africa (SIZA)	Standard setter	☑	
Sustainable Agriculture Network	Standard setter	☑	
Textile Exchange	Standard setter	☑	
QIMA	Certification body	☑	
USDA NOP Organic	Standard setter	☑	
Union for Ethical Biotrade	Standard setter	☑	