

# Guide to Use Ethical Consultancy Services

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# Roles and Responsibility of Consultancy Services

**amfori is aware that members and business partners in their supply chains benefit from consultancy services to be better prepared for amfori BSCI audits.**

amfori recognises that, in addition to business partner audits, third party consultancy services may be offered for amfori BSCI audits. These consultants, whether operating independently or within a company, play an important role in assisting factories to achieve continuous improvement goals and to safeguard workers' rights, especially in high risk areas or in response to critical issues such as zero tolerance situations. However, it is important that factory management remains fully responsible for understanding and meeting the requirements set by amfori BSCI and does not completely delegate compliance with legal and amfori BSCI standards to external consultants.



**Consultancy services:** it refers to the practice of providing expert advice or guidance in a particular field, typically in business, management, or a specialised area of knowledge. Consultants are hired to provide insight, recommendations, and solutions to problems or challenges faced by individuals or organisations.

## What do we mean by “consultancy services” ?

How the consultancy is called or referred to, is irrelevant for the application of this guidance.

Consultancy may include:

- Assisting the factory to prepare for the amfori BSCI audit, in terms of improving processes, procedures and/ or the physical elements of the factory (i.e., providing PPE to workers, preparing the production floors and facilities look clean and nice during the audit day) etc. This includes providing guidance on amfori BSCI specific topics.
- Provide follow-up corrective action services, including guidance, coaching, and training, for better audit rating / results.

**It is important that business partners (BPs), their RSP holder and linked members take full responsibility and awareness of the requirements set by amfori and do not fully outsource compliance with the law and amfori BSCI requirements to third parties.**

## Unethical consultant services

amfori is not against members/BPs using the services of consultants to set up or improve their social management system. However, any activities that undermine the integrity of the amfori BSCI audits are strictly prohibited.

amfori has completed recent investigations and projects that identified parties which pose as consultants and were involved in forms of corruption, audit fraud or other bad practices, such as:

- ❑ **Offering ‘package programmes’ from audit booking to the desired audit score**
  - Acting as a proxy between the factory and the monitoring partner to broker and organise the audit;
  - Coordinating the date, audit type, announcement type, payment etc.
  - “RSP Management” services and other elements.
  
- ❑ **Actively participating on behalf of the factory representative during audits**
  - Presenting themselves as factory employees;
  - Participating in the audits and demonstrating on behalf of the factory representative to manage the audit process.
  
- ❑ **Preparation and presenting fake documents during audits**
  - Preparing and presenting fake documents with the intention of achieving a better grade during an audit;
  - It may include documents related to fake working hours, wages, committee minutes and trainings etc.
  
- ❑ **Preparing workers for an audit**
  - “Coaching” workers in order for them to draw a suitable factory profile during the worker interviews.
  
- ❑ **Actively hiding elements from the auditors**
  - Hiding areas of the factory;
  - Hiding workforce.
  
- ❑ **Bribing an auditor or other monitoring partner employee to ensure a good audit outcome**
  
- ❑ **Auditors working as consultants for the same factory as they gave audited or will audit**

# Encourage Shared Responsibility

To ensure a balanced approach where business partners, members, and consultants share responsibility for the audit preparation and process, amfori suggests the following steps.

## Communicate clear objectives

- ❑ **Set clear objectives:** Clearly define the goals and expectations of the audit. Communicate these to both the business partners and the consultants.
- ❑ **Regular updates:** Maintain regular communication with the business partners to ensure everyone is aligned and aware of their roles and responsibilities. In this process, business partners should transparently share the work done and the actions taken with the members.

## Active involvement in the process

- ❑ **Participate in preparatory meetings:** amfori encourages members to join preparatory meetings and discussions between business partners and consultants to stay informed and provide input.
- ❑ **On-site visits:** Schedule periodic on-site visits to the business partners to observe the progress and ensure that preparations are on track.

## Internal audits and self-assessments

- ❑ **Conduct self-assessments:** Encourage business partners to complete SAQ through the amfori Sustainability Platform prior to the amfori BSCI audit. This helps identify and address issues early.

## Collaborative problem-solving

- ❑ **Joint action plans:** Develop action plans collaboratively with business partners and consultants, ensuring that responsibilities are clearly divided and timelines are agreed upon.
- ❑ **Regular progress reviews:** Conduct regular progress reviews to monitor the implementation of action plans and help for the adjustments as needed.

## Documentation and record-keeping

- ❑ **Maintain records:** Ensure that business partners maintain proper documentation and records of their processes, corrective actions, and improvements made in preparation for the audit.

## Post-audit follow-up

- ❑ **Review findings together:** After the audit, review the findings with the business partners and consultants to understand the outcomes and identify areas for improvement.
- ❑ **Continuous improvement:** Encourage business partners to develop and implement continuous improvement plans based on audit findings and insights.

# Managing Relationships with Consultants

The following guidance is provided for the consideration of members and business partners in how relationships with consultants should be managed.

## Prior to an amfori BSCI audit

### GENERAL

If a member or business partner **wishes to engage** in a relationship with a consulting company, this relationship should consider the following:

- The member or business partner must establish procedures and processes for the engagement.
- A signed service agreement with the consulting company must be available.
- Details such as the scope of the consultancy and the responsibilities of the persons involved should be included in the agreement.
- The main purpose and scope of the consultancy service should be to train and guide the responsible persons in the organisation to be audited.

### AUDIT ORGANISATION

The agreement with the consulting company does not remove the responsibilities of the member and business partner during the audit organisation phase.

- Monitoring partner should be defined by the member.
- The audit fee should not be paid by a different entity (consulting company, agency, independent trading company, etc.) other than the member or business partner.
- Active participation of the member in the preparation of business partners for audit requirements will increase the effectiveness and reliability of the process.

### COMMUNICATION

As far as possible, communication required to organise an audit should be **directly** between the Monitoring Partner and audit requestor (RSP member) or auditee. Consultants or any other intermediaries should not be brought into any such correspondence.

- If factory management bring consultancies into a conversation, the monitoring partner is expected to remove them from the chain, where possible in a respectful manner.
- If consultants are added to the audit organisation process by monitoring partners or another party, amfori must be informed.

### ASSIGNMENT

- The contract for delivery of specific audits must be between the monitoring partner and an amfori member or its business partner.

- ❑ All audit requests must come through the amfori Sustainability Platform.

## FINANCIAL TIES

- ❑ There are to be no financial ties between the auditee and the monitoring partner other than (at most) the payment of amfori BSCI (or amfori BEPI, or amfori QMI) audits if such was agreed with the amfori member assigning the audit.
- ❑ There are to be no financial ties between any **affiliate** of an auditee and the monitoring partner.
- ❑ There are to be no financial ties between any **amfori member** and the monitoring partner other than to deliver amfori BSCI (or amfori BEPI, or amfori QMI) monitoring.

## During an amfori BSCI audit

### GENERAL

Members and/or business partners should not avoid their responsibilities during amfori BSCI audits, as stated elsewhere in this guidance.

- ❑ During and after the on-site audit processes, all responsibility and follow-up should be carried out by the members and/or business partners.
- ❑ Consulting companies can help with the process. However, they should not be the main responsible.

Prior to the audit, the existence of the consulting company should be transparently disclosed to the monitoring partner.

- ❑ It is considered good practice to record in audit proposal forms if there was or is a consultant involved.

### PRESENCE AND IMPACT OF CONSULTANT

If the **consultant is present** onsite during the audit:

- ❑ At the opening meeting, the business partner should inform the auditors that the consultancy service has been received and that they will accompany the audit.
- ❑ The scope and details of the services provided by consultants should also be transparently disclosed to auditors.
- ❑ They can only be observers to the audit. Consultants are not permitted to present any part of the factory, including documentation, to the auditor.
- ❑ Details of the consulting company name (if available), duration of business relationship with the auditee etc.) will be provided by the auditors in the relevant data points and in the "General Description" field of the amfori BSCI audit report. It is essential that the necessary information is transparently disclosed during the audit.

### AUDIT RESULT

- ❑ Members and business partners are reminded that PA13 may be used by auditors to raise findings for unethical behaviour, including identified double bookkeeping, coached workers, undue interference by consultants, deliberate concealment of the existence of a consultant etc.
- ❑ Consulting and business partners are reminded that PA1 may be used by auditors to raise finding for poor awareness level of factory representatives and excessive involvement of consultants.

**amfori**

Avenue de Tervueren 270  
1150 Brussels, Belgium

**T** +32 (0)2 741 64 76

**E** [info@amfori.org](mailto:info@amfori.org)