

Moving the Needle Seminar #19:

Audit Fatigue, facts, challenges, and a call for action

29 May 2024

The position paper Audit Fatigue Launch Seminar provides a comprehensive analysis of the widespread and systemic issue of "audit fatigue" plaguing global textile and apparel supply chains. The report argues that current policing-driven compliance practices are counterproductive to elevating labor welfare. Instead, the report advocates transitioning to a collaborative, harmonized model with mutual audit recognition and alignment of fragmented standards.

The launch seminar started by defining what Audit Fatigue is – it refers to the repeated and redundant requirements sent to suppliers to undergo frequent audits by different customers, governments, or certification bodies, collecting the same data multiple times. In this online seminar, the audience will have the key takeaways about Audit Fatigue as the following:

- The current compliance model focused on policing creates wasteful redundancies
- Fragmentation of proprietary standards leads to "standard fatigue" complexity
- Audits have become ritualistic exercises draining resources from improving practices
- Highlights need to transition to a collaborative approach beyond brand competition
- Advocates mutual recognition of credible audits and harmonization of standards
- Calls for alignment between social compliance demands and purchasing practices

The online seminar invited industry leaders and professionals to share their insights and a call for action on audit fatigue.



Dr. Xiaohui Liang

Chief Researcher at CNTAC

Dr. Liang is leading the development of the national CSC9000T CSR program. He teaches "Business and Human Rights" at Peking University and is a recognized expert in CSR, serving on various editorial boards and working groups.



Karim Shafei

International Partner at Gherzi (since 2006)

Karim's career in Apparel and Textiles started in 1994 and has since spanned manufacturing, trade, and consulting. He worked on a multitude of projects including ones addressing audit fatigue.



Miran Ali

Managing Director of Bitopi Group Bangladesh,
Vice President of BGMEA

Miran promotes green practices and sustainability in the garment industry in both roles. He is a globally recognized voice for suppliers, also serving as the spokesperson for STTI and the STAR Network

Dr. Liang, Chief Researcher at China National Textile and Apparel Council shared his insights on the connections between purchasing practices and audit fatigue.

- It's important for brands and buyers to understand how purchasing practices pressure suppliers and undermine social compliance
- Improving purchasing practices and joining initiatives for more equitable supplier relationships is an effective way to reduce audit fatigue.

Karim, the author of the paper, raised a core premise that the well-being of labor should be a collective responsibility championed through collaboration, not competition. Audits provide a missed opportunity for shared learning. He emphasizes:

- Social compliance should unite the industry, not divide it through proprietary standards
- Manufacturers lack unified influence and alternative solution capabilities
- Imperative to give suppliers an active voice in developing new models
- Immense potential in consolidating around globally recognized third-party initiatives

Miran made actionable suggestions to manufacturers and the other industry stakeholders:

- The maturity of the industry in the developing world has been developed to a level to give up the policing mode on social compliance. Instead, it's time for

the industry to move towards collaborative actions and self-monitoring in the long run.

- Collectively negotiate mutual audit recognition and standard harmonization
- Explore the formation of manufacturer associations to gain greater representation
- Drive peers towards adoption of credible third-party compliance benchmarks
- Initiate dialogue with brands on resolving purchasing practice conflicts

In conclusion, the panelists reinforce the need for credible global standards and initiatives. A guiding strategy could be:

- Positioning recognized programs like Better Work as harmonization blueprints
- Facilitating auditor transformation from policing to advisory roles
- Promoting legislation incentivizing mutual audit acceptance across countries
- Establishing unified auditor qualification, methodology, and governance frameworks
- Engaging brands to endorse global programs through policy advocacy

To learn more, watch the [recording of the Seminar](#). The slides presented in this seminar are attached below. For more online seminars on similar topics, check out the [Asian Dialogues Series](#).

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