

SAI Thailand's Audit Case

Performance Audit on Promotion Policy of Coffee Production in Northern Thailand

Introduction

The northern Thailand, geographically characterised by several mountain ranges and river valleys, is rich in both natural resources and culture. It has about 62% of forest cover and several indigenous people, including at least 24 ethnic groups. However, the region is facing not only illegal deforestation force by cropland expansion, but also forest degradation and seasonal haze pollution associated with slash-and-burn agriculture and non-timber forest product gathering. Therefore, the programmes for coffee production promotion have been invented in order to induced the hill tribes to change their agricultural practice to be more sustainable. According to the programmes, participants will be provided knowledge, seedlings, materials, tools and equipment, and technical assistants for the whole production process from planting to cup.

Audit Objectives

1) To access whether the programmes implemented by audit entities have enhanced the target groups' ability to be able to run their coffee business, from planting to cup.

(2) To determine whether the programmes' management systems and controls meet expectations or best practices.

Audit Findings

1) As a top-down policy, some activities under the programmes implemented without considering the real needs of communities or participants, reflected by following examples;

(1) Some materials, tools and equipment were not utilized.

(2) Some training courses did not meet the participants' needs.

2) There were overlaps of responsibility, e.g., the measure supporting the participants to be able to achieve Good Agricultural Practices (GAP) was managed by more than one government agencies.

3) The operations of some activities, such as, sales promotion and marketing or product standard setting, were discontinued as a consequence of insufficient budget.

4) There was insufficient monitoring reflected by management systems of some targets groups did not meet the programmes' requirement or best practices.