



RESPONSIBLE
JEWELLERY
COUNCIL

ASSESSMENT MANUAL

V1.3 DECEMBER 2020

The Responsible Jewellery Council

The Responsible Jewellery Council (RJC) is a not-for-profit standard-setting and certification organisation founded in 2005.

Our vision is a responsible worldwide supply chain that promotes trust in the global fine jewellery and watch industry.

About this manual

The RJC Assessment Manual sets out how RJC members and auditors should assess an organisation's conformance with RJC standards. It applies to all RJC members in the gold, silver, platinum group metals (PGM), diamonds and coloured gemstones¹ jewellery supply chain.

This is a living document and the RJC reserves the right to revise it based on implementation experience and emerging good practice. The official language of this document is English with translated versions available on the RJC website. The English version published on the RJC website supersedes all other versions; see www.responsiblejewellery.com.

This is version 1.3, published December 2020, and effective from 1 April 2021 for all certification and recertification audits conducted against the COP 2019 and CoC 2017 standards. See section 1.3 below or the Summary of Changes for effective dates and implementation details.

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The Responsible Jewellery Council is a trading name of the Council for Responsible Jewellery Practices Ltd, which is registered in England and Wales with company number 05449042.

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1. The RJC aims to eventually include all coloured gemstones used in the jewellery supply chain. The 2019 RJC Code of Practices covers all sectors of the rubies, sapphires and emeralds jewellery supply chain (see www.responsiblejewellery.com/files/RJC-COP-April-2019.pdf for more information on the current scope of coloured gemstones). We will consider expanding the scope of coloured gemstones by April 2021.

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1 Introduction

Find out: What this manual is for and where else you might find useful information.

1.1 WHAT ARE THE RJC CERTIFICATION PROGRAMMES?

The RJC has two certification programmes to promote responsible business practices throughout the gold, silver, platinum group metals (PGM), diamond and coloured gemstone jewellery supply chain.

The **RJC Code of Practices (COP)** provides a common standard for ethical, social, human rights and environmental practices and all RJC members must be certified against it within two years of joining. In addition, RJC members (or individual entities under their control) can choose to be certified against the **RJC Chain-of-Custody (CoC) Standard**, which defines the requirements for creating a chain of custody of precious metals that are responsibly produced, processed and traded. Table 1 summarises the key features of both certification programmes.

Table 1. Comparing the RJC certification programmes

FEATURE	COP (2019)	COC STANDARD (2017)
Participation	<p>Certification against the COP is mandatory for all RJC members; and must be achieved within two years of joining.</p> <p>Members are certified as a whole, rather than by each facility. Ongoing recertification is required to retain RJC membership.</p>	<p>Certification against the CoC is voluntary and is not a requirement of RJC membership.</p> <p>Only RJC members, or entities under the control of an RJC member, can be certified against the CoC Standard (so that in all cases the COP also applies).</p>
Third-party auditing	<p>Auditing involves an initial certification audit followed by a mid-term review (if recommended).</p> <p>If the auditor finds no, or only minor, non-conformances, recertification is required every three years.</p> <p>If the auditor finds major non-conformances, the member will only be certified for one year, and only on the condition that it develops an auditor-approved corrective action plan. Members cannot have more than three consecutive one-year certificates.</p>	<p>Auditing involves an initial certification audit followed by a surveillance audit within 12–24 months.</p> <p>If the auditor finds no, or only minor, non-conformances, recertification is required every three years.</p> <p>If the auditor finds major non-conformances, the member will not be certified.</p>
Resulting claim	<p>COP-certified members can claim that they conform with the RJC COP, the RJC’s standard for responsible business practices.</p> <p>They can use the generic RJC logo and a unique COP certification logo on their websites and marketing material.</p>	<p>CoC-certified companies (members or individual entities under their control) can claim that they have verified systems in place for custody and/or supply of responsibly sourced jewellery materials.</p> <p>They can also claim that their material comes from responsible sources in accordance with the RJC CoC Standard.</p> <p>They can use the generic RJC logo, CoC stamp and unique CoC certificate on or with CoC material.</p>

1.2 WHAT IS THIS MANUAL FOR?

To be certified against either the COP or the CoC Standard, members must use third-party auditing to verify their conformance with the standard's requirements. This manual sets out the assessment processes and procedures that members and third-party auditors need to follow during certification. In particular, it gives instruction and guidance on:

- The process for achieving RJC certification.
- How members should carry out self-assessment.
- How auditors should conduct independent third-party audits.
- The principles for conducting effective assessments to drive continual improvement.

1.3 HOW SHOULD I USE THIS MANUAL?

All RJC members and accredited auditors should use this manual to direct their activities and responsibilities associated with RJC certification.

This is the 2020 version of the RJC Assessment Manual, which applies from 1 April 2021 and supersedes all previous versions. The substantive changes are limited to the disciplinary proceedings, CoC critical breach rules, mid-term review requirements, and submitting the audit report. A summary of the changes is available on the RJC website. The RJC has established a transition approach to using the new manual as follows:

- This version (1.3) is effective for all certification and recertification COP 2019 and CoC 2017 audits from 1 April 2021.

Mid-term reviews and surveillance audits against the COP 2019, COP 2013, CoC 2017, or CoC 2012 standard should use v1.2 as the assessment methodology, unless the Assessment Manual v1.3 was used for the previous audit.

- Certification audits to the 2013 COP and 2012 CoC Standard can use the 2018 version of the Assessment Manual². Please note that no certification or recertification audits can be conducted against COP 2013 as of 1 January 2021. As of this date, only mid-term reviews can be conducted against COP 2013 unless the member has decided to transition to COP 2019.

1.4 WHERE CAN I FIND MORE INFORMATION?

The RJC has various freely-available toolkits and guidelines to help companies implement its standards and get through certification:

RJC COP

- **RJC Code of Practices:** the verifiable requirements for achieving COP certification.
- **RJC COP Guidance:** business-level guidance for meeting individual COP requirements.
- **Self-Assessment Workbook:** instructions for assessing conformance and designing corrective actions.
- **Risk Assessment Toolkit:** instructions for assessing risk.
- **Human Rights Due Diligence Toolkit: guidance for implementing COP provision 6.** www.responsiblejewellery.com/support/cop-2019-walkthrough/provision-06/.
- **Due Diligence Member Toolkit for Sourcing from Conflict-Affected and High-Risk Areas:** guidance for implementing COP provision 7. www.responsiblejewellery.com/support/cop-2019-walkthrough/provision-07/

RJC CoC Standard

- **RJC CoC Standard:** the verifiable requirements for achieving CoC certification.
- **RJC CoC Guidance:** business-level guidance for meeting individual CoC Standard requirements.
- **Self-Assessment Toolkit:** instructions for assessing conformance and designing corrective actions.
- **Outsourcing Contractor Assessment Form:** questions to ask CoC outsourcing contractors.

2. RJC, Assessment Manual (2018) www.responsiblejewellery.com/files/RJC_Assessment_Manual_2018_v2.pdf

Other supporting documents offered by the RJC include specific tools and templates, such as an audit report template and a set of rules for using the RJC logo.

Note that the RJC may periodically update or revise any of these supporting documents, for example, to reflect emerging best practice. If this happens, we undertake to:

- Clearly specify the timescales for members and auditors to implement, comply with and, where required, be assessed against the revised document;
- Try to give members, audit firms and auditors advance warning of any amendment; and
- Provide a summary of changes, where applicable.

In all cases, amended documents take precedence over any previous versions unless otherwise specified.

- Please see www.responsiblejewellery.com for the latest version of supporting documents.

The RJC Certification Framework

2 Roles and responsibilities

Find out: What the RJC, its members and accredited auditors are expected to do during certification.

The RJC, its members and accredited auditors all have distinct roles in the certification process. In summary:

- The RJC is responsible for designing the RJC standards and overseeing their certification processes.
- Members are responsible for ensuring their business practices conform to the RJC standards.
- Accredited auditors are responsible for verifying whether a member's systems conform to the RJC standards.

2.1 THE RJC

The RJC is expected to:

- Regularly review and update its standards to ensure they remain relevant and fit for purpose.
- Support and oversee the quality, integrity and credibility of certification processes.
- Make certification decisions and issue certificates to members.
- Accredite third-party audit firms to do certification audits.
- Offer members and auditors relevant training and support.
- Certify members that conform to RJC standards, and keep relevant online information up to date.
- Administer the RJC Complaints Mechanism and carry out disciplinary proceedings where required.
- Publicly report the impact of RJC certification programmes.
- Engage industry and other stakeholders to build awareness of the value of RJC certification.

Note that the RJC will not act as auditors or undertake audits of members in its own right.

2.2 RJC MEMBERS

All RJC members are expected to:

- Operate their business in a way that meets the requirements of RJC standards.
- Dedicate resources to ensure ongoing conformance with these requirements over time.
- Communicate and train personnel about the RJC standards and how to meet them.
- Engage an accredited auditor to carry out their certification audits.
- Give auditors access to facilities, personnel and any information and records they need to assess conformance with RJC standards.
- Implement corrective action or improvement plans, as appropriate.
- Promote responsible business practices within their supply chain.

2.3 RJC-ACCREDITED AUDITORS

All RJC-accredited auditors are expected to:

Carry out certification audits and periodic reviews against RJC standards.

- Identify and categorise non-conformances and suggest business improvements (where applicable).
- Recognise when audit objectives are unattainable and tell the member and the RJC why this is so.
- Prepare audit reports, including a statement of conformance, for the member and the RJC.
- Review progress in implementing any corrective actions.

Note that auditors have a legal relationship with the RJC member that has hired them, not with the RJC itself. The company doing a third-party audit cannot advise or assist in any preliminary self-assessment of conformance, as this would be a conflict of interest.

Auditors must be accredited by the RJC to carry out certification audits and periodic reviews. To find out how to become an RJC accredited auditor, see www.responsiblejewellery.com/auditors/become-an-auditor.

Tips for audit firms: changes to auditor scope and capacity

If you are an RJC-accredited audit firm, you must inform the RJC of any changes to your organisation that may affect your scope, capacity and competence to conduct independent audits. This includes any relevant changes to your:

- Personnel (including employees, contractors and subcontractors).
- Company name.
- Status of any existing accreditation or conformance to ISO/IEC 17021 or other management system certification schemes such as ISO 14001, SA8000, OHSAS 18001 and ISO 9001.

You may also apply to expand your accreditation scope if you can show you have the ability to support an expansion. Expansions include, for example, a new geographic region.

Refer to the RJC's Accreditation Process and Criteria for further details:

www.responsiblejewellery.com/wp-content/uploads/RJC-Auditor-Accreditation-Criteria-2019-1.pdf

3 The Certification Cycle

Find out: The process for achieving and maintaining certification.

3.1 FIVE STEPS TO RJC CERTIFICATION

RJC certification comprises five steps (see **Figure 1**):

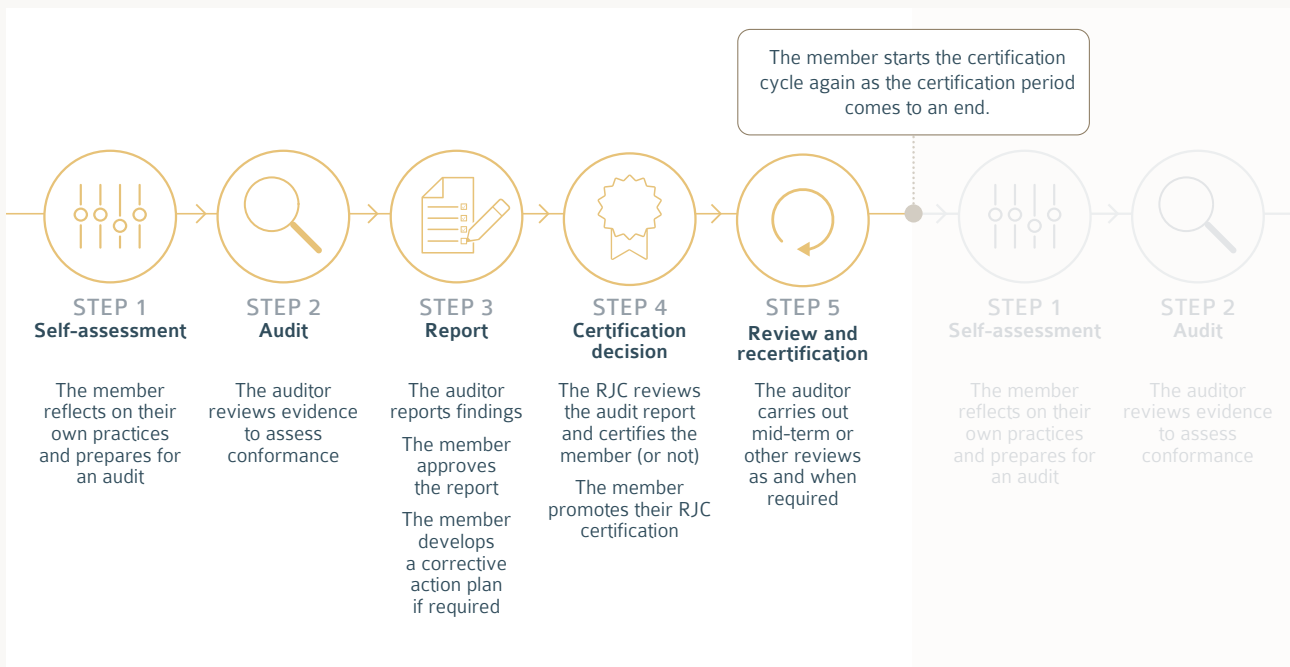
- 1. Self-assessment.** The member prepares for a certification audit by doing a self-assessment and then engaging an independent, third-party, RJC-accredited auditor (see **Section 11**).
- 2. Audit.** The auditor visits the member's sites and reviews relevant information to verify that the systems and operating procedures in place conform to the applicable RJC standard (see **Section 12**). This includes recognising equivalent external standards (see **Section 6**), identifying non-conformances and, where necessary, pointing to an appropriate corrective action plan.
- 3. Report.** The auditor prepares an audit report, including a statement of conformance, and sends it to the member for approval. Once approved, the report will be sent to the RJC (see **Section 12**).
- 4. Certification decision.** The RJC reviews the auditor's report for completeness and clarity and, based on the report's findings, certifies the member. Certification will last for one or three years, depending on the nature of any non-conformances (see **Section 3.3**). All certified members are given a unique RJC certification number and are listed on the RJC website (see **Section 3.4**).
- 5. Review and recertification.** The member starts the certification cycle again as the certification period comes to an end. Where required, the auditor may carry out a mid-term review (COP) or surveillance audit (CoC Standard) before then, to verify that the member's systems still work effectively.

Key Points

If there is a gap between an old CoC Certificate expiring and a new one being issued, companies will not be able to:

- Issue CoC transfer documents; or
- Make CoC claims during this time.

Figure 1. Steps in the RJC certification process



3.2 AUDIT TYPES

Each RJC standard includes three different types of audit, undertaken at different stages in the certification cycle (see Table 2).

Table 2. Audit types by RJC standard

RJC STANDARD	AUDIT TYPE	WHEN IT HAPPENS	WHY IT'S NEEDED
COP	Initial certification	Within two years of becoming a member.	To maintain the RJC membership (certification is mandatory for all commercial members).
	Mid-term review	12–24 months after certification.	To review progress against a corrective action plan. Auditors decide whether a mid-term review is needed during the certification audit (see Table 14 for the criteria they should use).
	Recertification	At the end of the certification period.	To keep RJC membership (ongoing recertification is mandatory for all commercial members).
CoC Standard	Initial certification	At the same time as, or after, a COP audit, but not before.	To add value to businesses and brands (certification is voluntary for RJC members).
	Surveillance audit	12–24 months after certification.	To ensure ongoing conformance.
	Recertification	At the end of the certification period.	To renew certification.

3.3 CERTIFICATION PERIODS

Depending on the results of each type of audit, a certificate is granted, extended, suspended or denied. Table 3 defines for how long certificates are granted (the 'certification period'), according to the audit findings.

Table 3. Certification period by audit findings, for each audit type

RJC STANDARD	AUDIT TYPE	MINOR NON-CONFORMANCES ONLY	ANY MAJOR NON-CONFORMANCES	ANY CRITICAL BREACHES
COP	Initial certification	Three years	One year	No certification
	Mid-term review	Continue the three-year term	A three-year certificate is reduced to one year	Certification is suspended
	Recertification	Three years	One year	No certification
CoC Standard	Initial certification	Three years	No certification	
	Surveillance audit	Continue the three-year term	Certification is suspended	
	Recertification	Three years	No certification	

One-year certificates (COP only)

If an auditor finds any major non-conformances during a COP audit, the member will only be granted a COP certificate for one year. That year is intended to serve as a transition period, during which members can develop and implement corrective action. All members given a one-year COP certificate are expected to use their best efforts to move to three-year certification status as quickly as practical.

The RJC acknowledges that it can take time to change operating systems and practices, so members may be granted up to three consecutive one-year certificates. But if, at the fourth attempt, there are still any major non-conformances, the member's COP certification and membership will be immediately withdrawn and it will have to reapply for membership upon successful completion of an RJC audit with no major non-conformances.

Tips for auditors: Transition audit

If you are engaged to carry out a COP certification audit within six months of the last one, you can use the findings from the previous audit to focus your reviewing efforts. In these cases, you do not have to revisit areas that were previously found to conform to the COP. Your audit may be more like a mid-term review than a certification audit, focusing more on pending non-conformances than anything else.

In all cases, you must still make sure you:

- verify that all corrective actions for major non-conformances have been completed effectively;
- verify that corrective actions for any minor non-conformances are complete or underway;
- assess any changes to the certification scope; and
- revisit facilities or COP provisions if the member's risk profile has increased.

When submitting your audit report to the RJC, make sure you include:

- findings from the last audit;
- details about the completed corrective actions;
- findings relating to changes in certification scope or risk profile; and
- an overall statement of conformance.

3.4 REVIEWING THE REPORT AND ISSUING CERTIFICATION

Once the RJC receives an audit report, we go through a number of steps to complete certification and issue members with the appropriate documents and information, and in particular:

- Confirm the auditor's competence against our RJC-accredited auditor register.
- Confirm that the member is in good standing with regard to its general membership commitments.
- Review the audit report and confirm that the audit process and findings are consistent with the instructions given in this manual.
- Document the certification scope and other relevant details, including the RJC standard in question, the name and location of the member being certified, and the date that certification starts and expires (and so the deadline for reassessment).
- Issue members with formal certification documentation, including:
 - A unique certification number for the member as a whole (for COP) or for an individual entity (for CoC); and
 - The conditions for using the RJC logo and related intellectual property (see Section 3.5).
- Publish the member's certification status and other relevant information online, including:
 - The name of the member or entity, their industry sector and their certification number;
 - The certification period and expiry date, and the schedule for any mid-term review or surveillance audit;
 - A statement of conformance;
 - A summary of applicable provisions;
 - Details of any provenance claims (COP only); and
 - The materials covered and eligible material declarations' issues (CoC only).

FAQs:

1. Are the COP and CoC certification numbers the same?

No. The COP and CoC certifications are done against different standards, and so are given different certification numbers. Each RJC certification or recertification audit has a different certification number to keep track of successive certifications. The RJC keeps a record of all audits and their certification numbers for each member on the RJC website (see www.responsiblejewellery.com/members).

2. Does the COP and COC have to have the same scope?

No. They can also have different certification scopes. COP certification is granted to a member as a whole and covers all the facilities that the member owns or controls in the gold, silver, PGM, diamonds and coloured gemstones jewellery supply chain.

CoC certification is granted to members as a whole or to individual entities under a member's control. It also does not need to cover all of a member's precious metals sourcing or sales, but can be specifically limited to gold, silver and/or PGM as the member wishes.

3. Can a member be certified against COP 2013 version and add silver when certified against COC 2017 version?

No. The requirements for silver and coloured gemstones are integral to the 2019 COP and a bolt-on audit would require re-checking the entire 2019 COP scope, therefore if the member wants to add silver to scope it has to be audited against COP 2019 first.

3.5 LABELLING AND MARKETING

In addition to having their certification status published on the RJC website, RJC-certified members and entities are entitled and encouraged to promote their status directly to investors, suppliers, buyers and others, including final consumers.

The RJC gives all certified members an applicable certification stamp, which they can use (on its own or with the RJC logo) in their communications and marketing materials. In all cases, members must abide by the RJC's rules for using these logos

(see www.responsiblejewellery.com/members/rjc-and-certification-logo-usage).

Members must not use the RJC logo or certification number in a way that makes any misleading statements regarding its certification. Members must not imply that the certification applies to facilities or materials outside of the certification scope.

4 Governance and support

Find out: How the RJC governs and supports implementation of its certification programmes.

4.1 QUALITY CONTROL

The RJC uses multiple approaches to ensure the quality and integrity of its certification processes. We:

- Provide standard processes and terminology for members and auditors to use;
- Require all members and auditors to identify any potential conflicts of interest;
- Publish practical guidance on implementing RJC standards and certification;
- Offer training and advice for members and auditors; and
- Oversee auditors and quality check audit reports.

In large part, we rely on RJC-accredited auditors' own checks and quality control processes to safeguard RJC certification processes. We only accredit firms that:

- Show they conform to these standards independently;
- Have internal systems for managing auditor qualifications and quality;
- Have internal systems for verifying findings; and
- Have clear processes for dealing with clients with professionalism and integrity.

Even after an auditor is accredited, we undertake oversight assessments such as witness audits and independent peer reviews to ensure that the integrity and impartiality of certification activities are not compromised.

Depending on the findings of these ongoing quality checks, the RJC may ask auditors to undertake refresher training or may implement other controls to maintain the credibility of the RJC system. Where a quality review reveals actions or omissions that affect the integrity of our standards, the RJC may start disciplinary proceedings against the offending company or impose sanctions, such as revoking an auditor's accreditation status or a member's certification (see **Section 5.2**).

4.2 REMINDERS

To help members plan and maintain timely certification status, the RJC sends all members advance reminders of deadlines for their:

- COP certification, which must be achieved within two years of joining;
- Recertification, pending expiry of the current certification period; and
- Mid-term reviews (COP only) and surveillance audits (CoC Standard only).

4.3 DATA CONFIDENTIALITY

The RJC is committed to protecting the confidentiality of our members' commercially sensitive information (see www.responsiblejewellery.com/policies/).

To that end, the RJC Management Team:

- Only accesses a member's information to process a membership application, review an audit report to process certification, carry out an investigation as required under the RJC Complaints Mechanism, as part of our cross-recognition programme, or assess the effectiveness and impact of our work within the jewellery supply chain; and
- Keeps commercially sensitive information secure and strictly confidential, never sharing it with any third party (except for the information that is published on the RJC website—see **Section 3.4** or if otherwise agreed with the individual members under the cross-recognition programme).

Note that members that are CoC certified can choose to withhold the identity of outsourcing contractors audited as part of their certification scope from the information published on the RJC website.

4.4 TRAINING AND KNOWLEDGE EXCHANGE

The RJC provides a range of online information resources and training to all its members and accredited auditors. This includes guidelines, toolkits, templates, best practice case studies, FAQs and webinars (see www.responsiblejewellery.com).

We also organise regular face-to-face information sessions and workshops. And, working in partnership with others, we create opportunities for knowledge exchange through, for example, workshops, seminars, briefings, inter-member support and more.

Our dedicated training manager is on hand to help members and auditors with specific queries: contact training@responsiblejewellery.com.

5 Complaints Mechanism

Find out: How the RJC Complaints Mechanism works, including when and how disciplinary proceedings are taken.

5.1 THE RJC COMPLAINTS MECHANISM

The RJC aims to ensure the fair, timely and objective resolution of complaints relating to potential non-conformance with RJC standards or with our own policies and procedures. The RJC Complaints Mechanism defines how we will respond to such complaints and is available in full at www.responsiblejewellery.com/about/policies/complaints-mechanism/.

By taking part in RJC activities, all RJC members and accredited auditors agree to submit to the RJC Complaints Mechanism wherever complaints arise, and to be bound by the decisions of the RJC. This does not replace or limit access to judicial remedies.

In general terms, there are four possible outcomes of the RJC Complaints Mechanism: the complaint is dismissed, the issue is flagged for the next audit, the respondent takes corrective actions or the RJC starts disciplinary proceedings against the respondent.

5.2 DISCIPLINARY PROCEEDINGS

Disciplinary proceedings are a collection of administrative processes used to consider whether, and what type of, disciplinary action should be taken against RJC members or accredited auditors for known misconduct.

Triggers

Disciplinary proceedings may not always be triggered by a complaint. They can also arise from other indicators of poor performance or failure to comply with RJC requirements.

For example, the RJC will begin disciplinary proceedings against auditors if there is any evidence of deceptive or otherwise improper auditing, including breach of confidentiality.

We will begin disciplinary proceedings against members if they:

- Do not complete their certification audit, or fail to schedule a required mid-term review, before the applicable deadline;
- Are found to have critical breaches by their auditor;
- Do not satisfactorily address major or repeated non-conformances;
- Do not meet agreed and reasonable time frames for corrective action; or
- Knowingly provide false, incomplete or misleading information to the RJC or an auditor.

Disciplinary proceedings against members or auditors can also be triggered by judgements of a court of law, or any other legal or administrative regulatory body, or by any other evidence of companies bringing the RJC into serious disrepute.

Procedures

Procedures for disciplinary proceedings against members are laid out in the RJC's articles of association; similar ones will apply for proceedings against auditors (see www.responsiblejewellery.com/policies).

In summary, the main steps are:

- 1. Establish grounds.** Grounds for disciplinary action are presented to the RJC.
- 2. Investigate.** The RJC Management Team (or its agents) carries out a full investigation, bound by a confidentiality agreement. In some cases, such as in the event of a critical breach, the RJC will consider suspending the member removing the RJC member webpage while the case is under review.
- 3. Report findings.** The RJC Executive Director reports the findings to the RJC Executive Committee and recommends either dismissing the case or taking disciplinary action.

4. **Articulate objections.** The RJC Executive Committee meets to consider and vote on whether there is sufficient evidence to justify taking disciplinary action against the accused member and, if the vote passes, instructs the RJC Executive Director to give to the accused member a written statement of objections to its conduct.
5. **Respond to objections.** The accused member may, within 30 days, submit a written response to the objections.
6. **Decide disciplinary action.** The RJC Board of Directors meets to consider and vote on the proposed disciplinary action. Both the accused member and the chairman of the RJC Executive Committee can present information at the meeting. Any motion on disciplinary resolution (such as suspension or expulsion) is voted on through secret ballot and requires three-quarters of the votes to pass.

All individuals involved in a disciplinary procedure must be free of conflict of interest. RJC directors and Executive Committee members will not be allowed to vote on disciplinary proceedings if they:

- Work for the accused member in any way; or
- Represent companies at the same level of the supply chain as the accused member.

Disciplinary procedures for a critical breach

The disciplinary procedures in cases where a member is found to have a critical breach are:

1. **Auditor gives notice.** Upon finding a critical breach, the audit firm must notify both the member and the RJC within three working days of being identified, and give full details of the critical breach. The audit must be completed and not stopped upon finding the critical breach.
2. **Member formulates response.** The RJC will consider temporarily suspending the member while the critical breach is under review and will ask for a formal response and a corrective action plan outlining how the critical breach will be addressed within a maximum of four weeks.
3. **Auditor reviews progress.** Within two weeks of receiving the member's response, the RJC and the audit firm review the corrective action plan to verify that immediate action has been taken to eliminate or mitigate the critical risk. At this stage the RJC or auditor may ask the member to provide further information.
4. **RJC decides next steps.** The RJC Management Team consults the audit firm on the next steps, which may involve an onsite audit to verify the critical breach has been closed and there is no risk of reoccurrence or taking disciplinary action. If there is a need to consider disciplinary action, the RJC Executive Committee is informed and the decision to proceed is made by the RJC Executive Committee.
5. **RJC communicates decision.** The RJC informs the member of its decision.

Outcomes

If the outcome of disciplinary proceedings is a decision to apply sanctions, these may include:

- For members: temporary or permanent loss of RJC membership; and
- For auditors: temporary or permanent loss of RJC accreditation.

In both cases, the company's accreditation or certification status will be removed from the RJC website.

In some cases, the outcome of disciplinary proceedings may be a rejection of the audit report and a request for the member's sites to be re-audited.

Final appeal

All members or auditors have the right, within three months of being informed of the final disciplinary decision, to refer any dispute arising from the proceedings for final appeal and resolution by independent arbitration.

Such arbitration will be done by a sole arbitrator, to be appointed by the president of the London-based Chartered Institute of Arbitrators.

5.3 CONFIDENTIALITY AND LEGAL ADVICE

The RJC keeps the existence of specific complaints and all proceedings of the RJC Complaints Mechanism confidential. We reserve the right to publicly report anonymously and in aggregate on the complaints received and how they were resolved.

We treat all disciplinary proceedings with the same confidentiality and base all our decisions on objective evidence. In some cases, we may seek independent legal advice or involve independent auditors to help in our investigation and decision-making.

6 Harmonise efforts for responsible business practices

Find out: Which external frameworks are deemed equivalent to RJC standards.

6.1 RECOGNISED FRAMEWORKS

The RJC’s standards are designed to recognise and align with other frameworks for responsible business practices wherever possible. Some external standards and initiatives are recognised by the RJC as equivalent to one or more COP or CoC Standard provisions. In these cases, members and auditors can use external certification to assume conformance without additional self-assessment or review, unless otherwise specified in Table 2, and where:

- The audit was conducted within the previous 12 months;
- The external certification scope applies to the member’s RJC certification scope; and
- There are no open major or critical non-conformities (or equivalent as identified in Tables 4a and 4b below) and corrective action plans are in place to close any minor non-conformities within the next 12 months.

Auditors do, however, still have the right to further investigate these provisions during an on-site visit if they deem it necessary.

Tables 4a and 4b summarise recognised frameworks for the COP and CoC Standard and outline the implications for self-assessment or audit.

Table 4a. Recognised frameworks for the COP

EXTERNAL STANDARD OR INITIATIVE	IMPLICATIONS FOR SELF-ASSESSMENT OR AUDIT IF EXTERNALLY CERTIFIED
<p>Social Accountability International SA8000® Standard</p> <p>SA8000:2014 http://sa-intl.org/index.cfm?fuseaction=page.viewpage&pageid=1689</p>	<p>The business or facility does not have to be audited against the following COP provisions:</p> <ul style="list-style-type: none"> • General employment terms: 15.1, 15.2 • Working hours: 16.1, 16.2a–c, 16.3a–b, 16.5 • Remuneration: 17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.8 • Harassment, discipline, grievance procedures and non-retaliation: 18.1, 18.3, 18.4a–c, 18.5 • Child labour: 19.1a, 19.2, 19.3 • Forced labour: 20.1, 20.2a–e, 20.3 • Freedom of association and collective bargaining: 21.1, 21.2, 21.3 • Non-discrimination: 22.1 • Health and safety: 23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 23.7, 23.9
<p>International Organization for Standardization (ISO) Environmental management systems standard</p> <p>ISO 14001:2015 www.iso.org/standard/60857.html</p>	<p>The business or facility does not have to be audited against the following COP provisions:</p> <ul style="list-style-type: none"> • Environmental management: 24.1, 24.2 <p>Some ISO 14001 standards are less specific than the equivalent COP provisions. The auditor must assess the scope of the business’s ISO 14001 certification and determine whether the following COP provisions were appropriately verified:</p> <ul style="list-style-type: none"> • Hazardous substances: 25.3 • Wastes and emissions: 26.1, 26.2a • Use of natural resources: 27.1, 27.2, 27.3, 27.4 • Biodiversity: 38.2a, 38.2c <p>If they were appropriately verified during the ISO audit, they do not have to be audited again; if not, they must be fully verified during the RJC audit.</p>

EXTERNAL STANDARD OR INITIATIVE	IMPLICATIONS FOR SELF-ASSESSMENT OR AUDIT IF EXTERNALLY CERTIFIED
<p>The British Standards Institution (BSI) Occupational health and safety standard</p> <p>OHSAS 18001:2007 www.bsigroup.com/en-GB/ohsas-18001-occupational-health-and-safety/</p>	<p>The business or facility does not have to be audited against the following COP provisions:</p> <ul style="list-style-type: none"> • Health and safety: 23.1, 23.3, 23.4, 23.5, 23.8, 23.9 <p>This standard has been replaced by ISO 45001. All organisations certified to OHSAS 18001 must transition by March 2021.</p>
<p>ISO Occupational health and safety management systems standard</p> <p>ISO 45001:2018 www.iso.org/standard/63787.html</p>	<p>The business or facility does not have to be audited against the following COP provisions:</p> <ul style="list-style-type: none"> • Health and safety: 23.1, 23.2g-h, 23.3, 23.4, 23.5, 23.6, 23.8, 23.9 • Hazardous substances: 25.3 • Mercury: 41.2b <p>Some ISO 45001 standards are less specific than equivalent COP provisions. In particular:</p> <ul style="list-style-type: none"> • Emergency response COP provision 37.1 requires emergency response plans to be based on UN Environment’s Awareness and Preparedness for Emergencies at Local Level for Mining, which is not required by ISO 45001. <p>The auditor must assess the scope of the business’s ISO 45001 certification and determine whether this COP provision was appropriately verified during the ISO audit. If it was, it does not need to be audited again; if not, it must be fully verified during the RJC audit.</p>
<p>London Bullion Market Association (LBMA):</p> <ul style="list-style-type: none"> • Good Delivery list • LBMA Responsible Gold Guidance <p>www.lbma.org.uk/responsible-sourcing-guidance</p>	<p>The business or facility does not have to be audited against the following COP provisions for gold:</p> <p>Due diligence for responsible sourcing from conflict-affected and high-risk areas: 7.1a, 7.2, 7.3a</p> <p>When verifying open non-conformances, LBMA’s low risk grading can be treated as a minor non-conformance. For medium risk, high risk and zero tolerance these are to be treated as major non-conformances.</p>
<p>Responsible Minerals Assurance Process (RMAP):</p> <ul style="list-style-type: none"> • Conformant smelters and refiners list • Gold Refiner Standard <p>www.responsiblemineralsinitiative.org/conformant-smelter-refiner-lists/</p>	<p>The business or facility does not have to be audited against the following COP provisions for gold:</p> <p>Due diligence for responsible sourcing from conflict-affected and high-risk areas: 7.1a, 7.2, 7.3a</p> <p>When verifying an open RMI non-conformant audit outcome, auditors must take into consideration whether the non-conformance is equivalent to an RJC minor or major non-conformance in order to determine their actions in verifying the cross recognition.</p>
<p>Dubai Multi Commodities Centre (DMCC):</p> <ul style="list-style-type: none"> • Good Delivery list • Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain <p>www.dmcc.ae/gateway-to-trade/commodities/gold/responsible-sourcing</p>	<p>The business or facility does not have to be audited against the following COP provisions for gold:</p> <p>Due diligence for responsible sourcing from conflict-affected and high-risk areas: 7.1a, 7.2, 7.3a</p> <p>When verifying open non-conformances, DMCC’s low and medium risk deviations can be treated as minor non-conformances. For high risk deviations these are to be treated as major non-conformances.</p>

Table 4b. Recognised frameworks for the CoC Standard

EXTERNAL STANDARD OR INITIATIVE	IMPLICATIONS FOR SELF-ASSESSMENT OR AUDIT IF EXTERNALLY CERTIFIED
<p>London Bullion Market Association (LBMA):</p> <ul style="list-style-type: none"> • Good Delivery list • LBMA Responsible Gold Guidance <p>www.lbma.org.uk/responsible-sourcing-guidance</p>	<p>Gold refiners do not have to be audited against the following CoC Standard provisions:</p> <ul style="list-style-type: none"> • Due diligence: 1.1, 1.2, 1.3 <p>When verifying open non-conformances, LBMA’s low risk grading can be treated as a minor non-conformance. For medium risk, high risk and zero tolerance these are to be treated as major non-conformances.</p>
<p>Responsible Minerals Assurance Process (RMAP):</p> <ul style="list-style-type: none"> • Conformant smelters and refiners list • Gold Refiner Standard <p>www.responsiblemineralsinitiative.org/conformant-smelter-refiner-lists/</p>	<p>Gold refiners do not have to be audited against the following CoC Standard provisions:</p> <ul style="list-style-type: none"> • Due diligence: 1.1, 1.2, 1.3 <p>When verifying an open RMI non-conformant audit outcome, auditors must take into consideration whether the non-conformance is equivalent to an RJC minor or major non-conformance in order to determine their actions in verifying the cross recognition.</p> <p>Note that this recognition is based on the Responsible Minerals Initiative 2017 Gold Refiner Standard, which was effective from 1 June 2018.</p>
<p>Dubai Multi Commodities Centre (DMCC):</p> <ul style="list-style-type: none"> • Good Delivery list • Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain <p>www.dmcc.ae/gateway-to-trade/commodities/gold/responsible-sourcing</p>	<p>Gold refiners do not have to be audited against the following CoC Standard provisions:</p> <ul style="list-style-type: none"> • Due diligence: 1.1, 1.2, 1.3 <p>When verifying open non-conformances, DMCC’s low and medium risk deviations can be treated as minor non-conformances. For high risk deviations these are to be treated as major non-conformances.</p>
<p>Fairtrade Standard for Gold and Associated Precious Metals for Artisanal and Small-Scale Mining</p> <p>www.fairtrade.org.uk/Farmers-and-Workers/Gold</p> <p>Fairmined Standard for Gold from Artisanal and Small-scale Mining, including associated precious metals</p> <p>www.fairmined.org/the-fairmined-standard</p>	<p>Material from the mines certified to these standards can be traded under the CoC Standard in combination with other CoC materials.</p>
<p>International Council on Mining and Metals (ICMM) sustainable development framework (mines that have been included in assurance site sampling within the past three years)</p> <p>www.icmm.com</p> <p>The Mining Association of Canada’s Towards Sustainable Mining (TSM) programme (mines with a verification Level A or higher across all indicators)</p> <p>http://mining.ca/towards-sustainable-mining</p>	<p>Material from mines verified or assured to these schemes is subject to a validation process before it can be traded in combination with other CoC materials (see eligible mined material CoC Standard provision 6.2).</p>

We will publish news of any further initiatives or standards that the RJC officially recognises as equivalent on our website at www.responsiblejewellery.com/harmonisation. If you have a question about an initiative not listed here, please contact us at accreditation@responsiblejewellery.com.

6.2 CLAIMS OF EQUIVALENCY

In all cases, claims of equivalency must be verified by the auditor.

If you are an RJC member and claim to be certified against one or more of the standards or initiatives listed in Tables 4a or 4b, you must provide your auditor with the following, for each relevant standard:

- A valid certificate;
- Your most recent audit report for the standard or initiative; and
- Details of any substantial changes to the audit scope since your last external audit.

Note that if a member stops participating in a recognised framework, the equivalent COP or CoC Standard provisions must be included in the scope of the next scheduled RJC audit.

Actions for auditors: verifying equivalency

If the member claims to be certified against one or more standards or initiatives listed in Tables 4a and 4b, make sure that you:

- Include details of any external certificates and their expiry dates in your audit report to the RJC;
- Verify the last audit date on the relevant certificate—this must not exceed 12 months;
- Verify that the external certification scope applies to the member's RJC certification scope—make sure that any individual facilities or parts of the business that are not covered by the external certificate are included in the RJC certification scope (see **Section 12.2.3**);
- Review the latest external audit report and corrective action plan (where applicable) to verify the assessment and ensure there are no open major non-conformances or high risks, if any have not been closed the provision must be assessed to determine conformance. For any minor non-conformances, the member must demonstrate these have been closed or a plan is in place to close them within the next 12 months—include your findings in your audit report to the RJC (see **Section 12.4**); and
- Identify any equivalent COP or CoC Standard provisions that required additional verification, and explain why.

7 Set a clear and accurate certification scope

Find out: What should be in a COP and CoC certification scope.

7.1 ABOUT CERTIFICATION SCOPE

The RJC certification scope refers to the extent of a member's business to which the relevant RJC standard (COP or CoC Standard) will apply. Both standards require a clearly and accurately documented certification scope that is verified by the auditor to ensure appropriate self-assessment and auditing.

Each member's certification scope will be different, depending on the standard in question as well as the type and structure of the member's business.

Once established, the certification scope will define exactly which COP or CoC Standard provisions apply (see **Appendix 1** for a general listing of the required, optional and non-applicable provisions for both standards by sector).

In all cases, a member's certification scope is reviewed by auditors, documented in the audit report and checked by the RJC. Each member's certification scope is then published on the RJC website. We encourage stakeholders to contact us through the RJC Complaints Mechanism if they believe anything has been left out of, or misrepresented in, a member's certification scope (see **Section 5**).

Whether you are an RJC member or accredited auditor, make sure you understand the key terms used in setting the certification scope so that you can be confident in meeting RJC requirements (see box 'Certification scope: key terms').

Certification scope: key terms

A **member** is a commercial member of the RJC (i.e. excluding trade associations), as listed on the RJC website. Members can comprise one or more entities or facilities. Every member:

- Is actively involved for commercial reasons in the gold, silver, PGM, diamonds and coloured gemstones jewellery supply chain;
- Is exempt from the role of consultant, advisor or any other similar entity;
- Commits to the prevailing COP and to an independent certification audit against it; and
- Undertakes to pay the annual RJC commercial membership fee.

A **facility** is a site or premises that is:

- Under a member's control; and
- Actively contributes to the gold, silver, PGM, diamonds and coloured gemstones jewellery supply chain.

An **entity** is a business or similar that operates one or more facilities owned or controlled by a member. A member can be one or more entities.

A member **controls** a business or other organisation if any of the following hold true:

- a. The member directly or indirectly owns or controls (alone or through an agreement with other members) 50 per cent or more of the controlled business's voting rights (or equivalent).
- b. The member directly or indirectly has the power (alone or through agreement with other members) to remove, nominate or appoint at least half the controlled business's directors or managers (or equivalent).
- c. The member has day-to-day or executive management of the controlled business (e.g. by setting and enforcing workplace standards).

Control as defined above applies not only to corporate entities, but similarly these basic principles will apply to all other organisational structures however or whomsoever they are administered.

7.2 SETTING THE COP CERTIFICATION SCOPE

Each member is responsible for setting its own certification scope. The information below sets out the general rules to follow, with examples. If you have any queries about certification scope, contact us at certification@responsiblejewellery.com.

Commercial members

If you are a commercial member of the RJC, your certification scope must include all the entities and facilities that you own or control and that contribute to the gold, silver, PGM, diamonds and coloured gemstones jewellery supply chain (see box 'Sectors that fall within the COP certification scope').

Sectors that fall within the COP certification scope

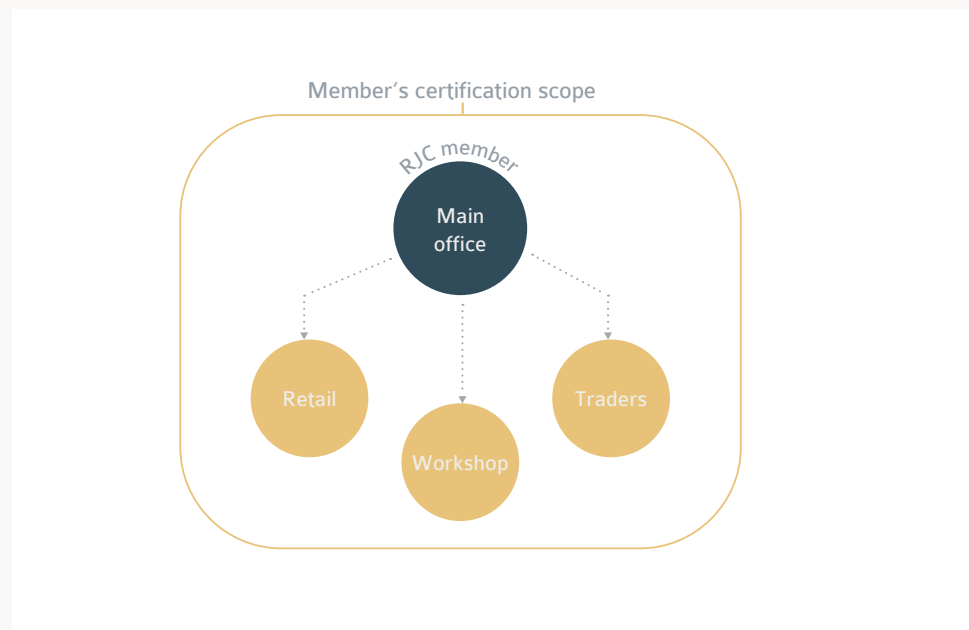
The following sectors are considered to actively contribute to the gold, silver, PGM, diamonds and coloured gemstones jewellery supply chain:

- Exploration and mining.
- Diamond and coloured gemstone trading, cutting and polishing.
- Gold, silver and PGM refining, trading and hedging.
- Jewellery manufacturing and wholesaling.
- Jewellery retailing.
- Service industries, including grading, assaying, appraising, secure transport providers and others.

Any business activity under a member's control—including tasks, roles, functions or services—in these sectors will fall within the COP certification scope. Note that business activities may or may not take place at a member's facility.

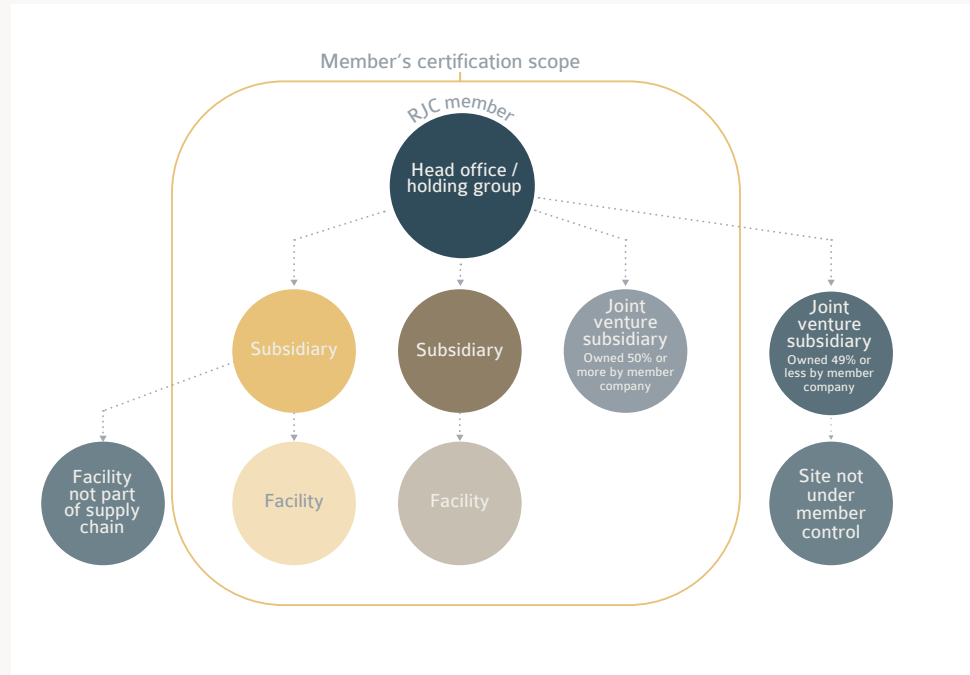
Every business is different and so every business will have a different certification scope, reflecting the diversity in size and structure among members. Figures 2–4 provide some examples of different business structures and how these may impact certification scope.

Figure 2. A simple structure typical of small and medium-sized enterprises



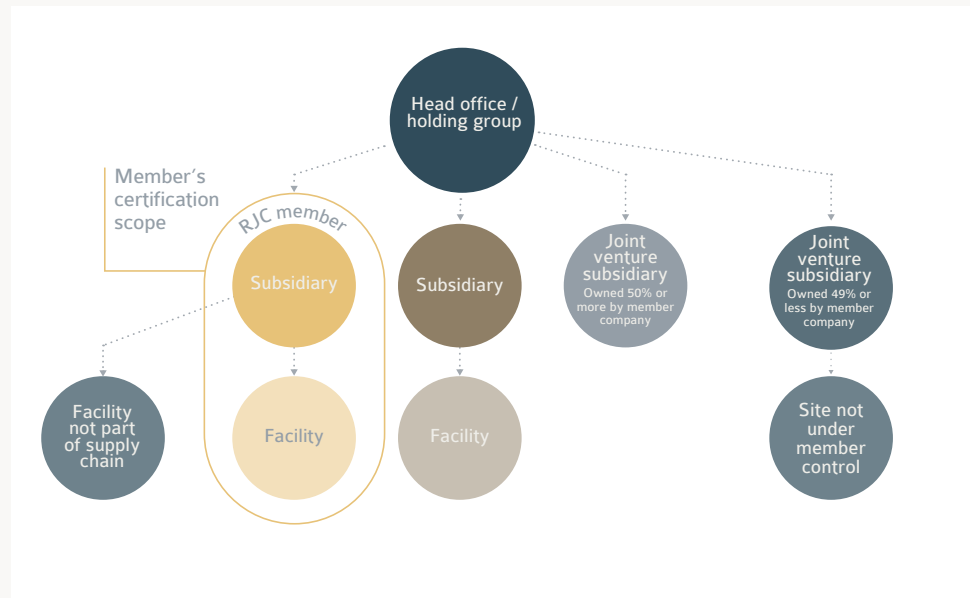
In Figure 2, the member's business has a simple structure. All the business activities are owned or controlled by the member and all contribute to the gold, silver, PGM, diamonds and coloured gemstones jewellery supply chain. Here the entire business falls within the COP certification scope.

Figure 3. A multi-layered, complex structure typical of a large organisation



In Figure 3, the member's business is more complex and includes several subsidiaries and facilities, some of which are not under the member's control and some of which do not contribute to the gold, silver, PGM, diamonds and coloured gemstones jewellery supply chain. In this example, the certification scope is a subset of the whole business.

Figure 4. A multi-layered, complex structure where the member is a subsidiary of a larger group



In Figure 4, the member is a subsidiary of a larger group. In this example, the certification scope is an even smaller subset of the whole business although it must include all entities or facilities that the member owns or controls.

Members in the mining sector

Several COP provisions apply directly to the early stages of mine development. If you are an RJC commercial member in the mining sector, your certification scope should include your exploration activities, or any other business practices aimed at developing future mining facilities. These practices will be verified by an auditor through desktop reviews or site visits as appropriate (see Section 12.2.3 for more information).

If you have a mine that produces several different mineral products, you must include it in your certification scope if gold, silver, PGM, diamonds or coloured gemstones make up a significant saleable element in the mineral concentrate or process by-products. If the mine's contribution to these is minimal relative to the mine's total production, it may be appropriate to exclude it from your certification scope. Inclusion of multi-commodity sites will be considered on a case-by-case basis.

A member shall address how these facilities are included in their certification scope.

7.3 DOCUMENTING THE COP CERTIFICATION SCOPE

In all cases, members must document their COP certification scope and record the following information, and pass it on to the RJC through the audit report:

- Member business name and address details.
- Member sector (i.e. mining, refining, retail, etc.).
- Contact details for key staff including the person responsible for communicating with the RJC and the auditor.
- Information about each facility within the certification scope, including its:
 - Name;
 - Location (by city and country);
 - Type (such as retail store, workshop, etc.);
 - Number of employees and contractors—if it is impractical to record this per facility (e.g. if the member is a large retailer with an international network of shops), the member can document number of employees and contractors at a country level and in total; and
 - Nature of business—members that own multiple facilities doing the same type of business can group their descriptions here.
- Details of business activities that the member controls, whether or not these are done at the member's facilities.
- Information about any changes to the certification scope anticipated in the next three years (see **Section 7.5**).

All the mandatory information can be recorded through the RJC Self-Assessment Workbook (www.responsiblejewellery.com/rjc-certification/step-1-self-assessment). Alternatively, members can choose their own equivalent format to record the information.

Contractors and business partners

While members do not have to include contractors, business partners or other related companies out of their control in their certification scope, the RJC Self-Assessment Workbook still asks for information about these to help put the scope in context. This includes identifying where members are part of a broader corporate group.

Auditors will draw on this information in their report to the RJC, and a short description of relevant related companies may be included in the member's certification information on the RJC website.

7.4 SETTING THE COC CERTIFICATION SCOPE

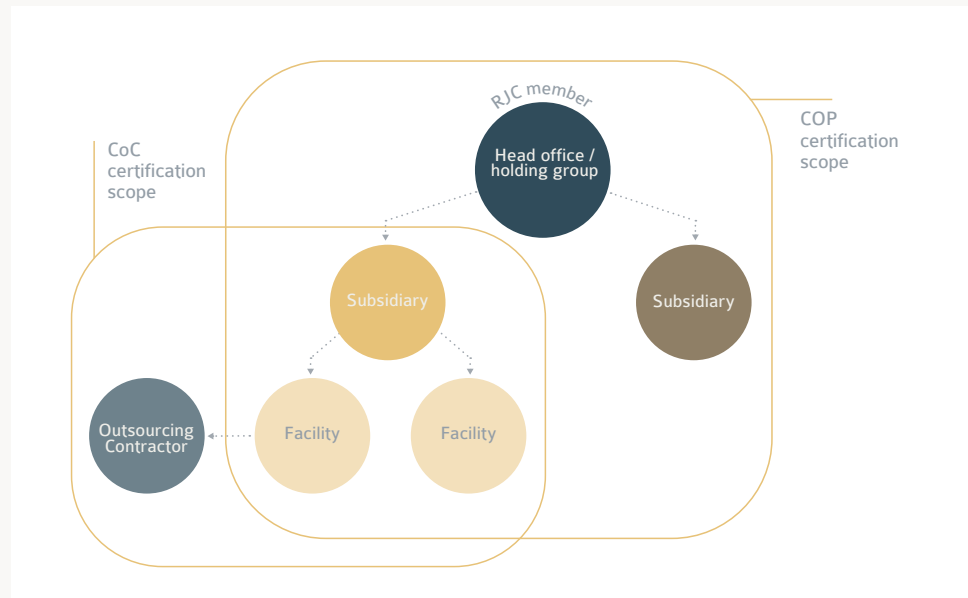
RJC CoC certification is voluntary and only open to RJC members, or to individual entities under an RJC member's control.

Unlike the COP, the CoC Standard only applies to gold, silver and PGM. Each member (or entity) seeking CoC certification is responsible for defining its certification scope, which **must** include:

- All facilities that the member controls and intends to use to extract, process, manufacture, store, handle, ship and receive, or market CoC material; and
- All outsourcing contractors that the member intends to use to process and manufacture CoC material.
- In documenting its certification scope, the member must also articulate:
 - Which types of CoC material (gold, silver or PGM) it wishes to handle; and
 - Whether it intends to make eligible material declarations and, if so, for which type of eligible material (see the CoC Standard for details on 'Eligible material types').

A CoC certification scope does not have to cover all parts of a member's business, nor does it necessarily have to match the COP certification scope. For example, a member can choose to seek CoC certification for only some of the mines or factories under its control. In Figure 5, the company seeking CoC certification is a subsidiary of the RJC member, so the COP and CoC certification scope are different.

Figure 5. COP versus CoC certification scope for an entity and its parent member



7.5 DEALING WITH CHANGES IN SCOPE

Any change to a company's COP or CoC certification scope must be reported to the RJC as soon as possible.

COP certification scope changes

The COP certification scope may change if there is a change to the member's business, such as:

- An organisational restructure;
- Divestments, acquisitions or changes to the equity share;
- New or altered activities, products and processes, including provenance claims; or
- New locations or different distribution of facilities.

External influences, such as changes in the statutory environment, regulations or other stakeholder expectations and commitments, can also prompt a change in COP certification scope.

In all cases, members must notify the RJC of the change in business as soon as possible in case of any stakeholder enquiries. They must also reassess their conformance with the COP in light of the changed certification scope to prepare for the next scheduled audit. The RJC Self-Assessment Workbook, or equivalent, can be used for this purpose.

In some cases, the change in scope may trigger a mid-term review to assess how the change impacts the member's COP certification status. A mid-term review can also be used to address any changes to provenance claims made that a member wishes to have independently assured and published on their certificate.

CoC certification scope changes

If a CoC-certified member or entity wishes to add new facilities, outsourcing contractors or types of materials to its certification scope—or if it decides it now wants to issue eligible material declarations—it will have to undergo a new certification audit for those elements.

The dates of the original certification period will continue to apply if these changes are addressed through a surveillance audit. Depending on the structure of its business, a member can also seek CoC certification for a separate entity under its control, for which a separate certification period would apply.

8 Rate conformance honestly and consistently

Find out: How to rate conformance against RJC standards.

8.1 DEFINING CONFORMANCE RATINGS

Rating conformance is a central part of the RJC certification process. For both the COP and the CoC Standard, conformance ratings are judged based on the extent to which a member's (or entity's) management systems meet each provision and prevent risk to employees, the community or the environment, including risk:

- To life;
- To livelihood (wages);
- To education;
- Of environmental damage;
- To biodiversity;
- Of miscommunication; or
- To reputation (of the member or the RJC).

All conformance ratings must be clear, unambiguous and supported by objective evidence. Whether you are a member completing your self-assessment or an auditor doing an audit, you must use the definitions set out in **Tables 5a and 5b** to rate conformance against the COP or CoC Standard. Auditors and members should check the **COP Guidance** as it provides specific guidance on conformance ratings for some provisions, such as COP 16.2 overtime.

Table 5a. COP conformance ratings

CONFORMANCE RATING	DEFINITION
Conformance	The member's business practices (including its policies, systems, procedures and processes) perform in a way that conforms to the relevant COP provision.
Minor non-conformance	<p>The member's business practices (including its policies, systems, procedures and processes) perform in a way that does not wholly conform to the relevant COP provision.</p> <p>Minor non-conformances do not result in an imminent significant risk to employees, the community or the environment. They can occur when the member:</p> <ul style="list-style-type: none"> • Has an isolated lapse in the performance, discipline or control of its business practices; • Knows it has not complied with a relevant legislative or regulatory requirement but has adequately tried to rectify the non-compliance; • Is not in compliance with a relevant legislative or regulatory requirement, but has made good faith efforts to comply; or • Is found to have a business practice that does not breach the COP now but could potentially cause a major non-conformance.
Major non-conformance	<p>The member's business practices (including its policies, systems, procedures and processes) perform in a way that does not conform to the relevant COP provision.</p> <p>Major non-conformances pose an imminent significant risk to employees, the community or the environment. They can occur when the member:</p> <ul style="list-style-type: none"> • Has a persistent (or high-impact isolated) lapse in the performance, discipline or control of its business practices; • Has not implemented a required provision at all; • Has a systemic failure or total lack of controls needed to manage business risks related to the COP; • Has knowingly ignored a relevant legislative or regulatory requirement, or has not adequately tried to rectify a non-conformance with a relevant legislative or regulatory requirement; • Has a group of related, repetitive or persistent minor non-conformances, indicating inadequate implementation. • Is subject to any finding or observation supported with objective evidence that proves a critical breach, or that raises serious doubts as to whether the member has the business practices to avoid any critical breach.
Critical breach	<ul style="list-style-type: none"> • The member's business practices (including its policies, systems, procedures and processes) perform in a way that does not conform to relevant COP provision. - Has finding that is rated as a major non-conformance for any critical provision as per Table 6.
Not applicable	The member cannot conform to the relevant COP provision because of the nature of its business covered by the COP certification scope. Refer to Appendix 1 Table A1 for further details.

Table 5b. CoC Standard conformance ratings

CONFORMANCE RATING	DEFINITION
Conformance	The member's business practices (including its policies, systems, procedures and processes) perform in a way that conforms to the relevant CoC Standard provision.
Minor non-conformance	<p>The member's business practices (including its policies, systems, procedures and processes) perform in a way that does not wholly conform to the relevant CoC Standard provision.</p> <p>Minor non-conformances occur because of an isolated lapse in performance, discipline or control; they do not lead to a major non-conformance.</p>
Major non-conformance	<p>The member's business practices (including its policies, systems, procedures and processes) perform in a way that does not conform to the relevant CoC Standard provision.</p> <p>Major non-conformances occur when there is:</p> <ul style="list-style-type: none"> • The total absence of implementation of the provision; • A group of related, repetitive or persistent minor non-conformances, indicating inadequate implementation.
Critical breach	<p>A CoC critical breach is a critical non-conformance raised against any of the CoC provisions, supported by objective evidence that is triggered by:</p> <ul style="list-style-type: none"> • Deliberate falsification of information required to support a conformance rating; or • A systemic failure of the management system to implement the CoC; or • Total lack of controls needed to manage risks to the CoC.
Not applicable	The member cannot conform to the relevant CoC Standard provision because of the nature of its business covered by the CoC certification scope. Refer to Appendix 1 Table A2 for further details.

From minor to major non-conformance: related, repetitive or persistent

A group of minor non-conformances may be elevated to a major non-conformance rating if there is evidence that the minor non-conformances are:

- **Related** in terms of the provision, activity being controlled or even the nature of the non-conformance across multiple facilities;
- **Repetitive**, bringing up the same issue throughout the business (which is often symptomatic of a systemic failure or absence of controls); or
- **Persistent**, occurring again and again because of ineffective corrective action.

For example, a single instance of a missing material safety data sheet or employee time sheet could be a genuine single oversight or mistake. But several instances across the business, or over time, could indicate a deeper problem with the member's business practices that prevents it from conforming to the RJC standard's record-keeping requirements.

The key to deciding when to elevate a minor non-conformance to a major one is whether it is related to any other minor non-conformances in a way that indicates common root causes through weaknesses in management systems.

To help you spot groups of related, repetitive or persistent non-conformances, remember to review all findings before finalising your ratings for non-conformances

8.2 USING 'NOT APPLICABLE' RATINGS

The 'not applicable' conformance rating can only be used when a provision genuinely does not apply to the member—in other words, when it would be illogical or impossible to apply the provision. For example, the COP's provisions on responsible mining (provisions 31–42) are not applicable to members with no mining or exploration activities.

The applicability of each provision in the COP and CoC Standard is clearly defined in the standards' guidance documents (see **Section 1.4**).

Credible and verifiable reasons must be given for all provisions rated as not applicable. Reasons given by members must be validated by the independent auditors.

Note that a low-risk provision does not mean it is not applicable.

8.3 IDENTIFYING CRITICAL BREACHES

COP

COP critical breach is triggered by a major non-conformance, supported by objective evidence of any of the provisions listed within table 6.

Table 6. List of critical provisions in the COP

COP PROVISION	DEFINITION
6 Human rights	6.1
7 Due diligence for responsible sourcing from conflict-affected and high-risk areas	7.1
16 Working hours	16.1, 16.2
17 Remuneration	17.1, 17.4
18 Harassment, discipline, grievance procedures and non-retaliation	18.1
19 Child labour	19.1, 19.2
20 Forced labour	20.1
22 Non-discrimination	22.1
25 Hazardous substances	25.2
26 Wastes and emissions	26.2c
28 Product disclosure	28.1
29 Kimberley Process Certification Scheme and World Diamond Council System of Warranties	29.1
33 Indigenous peoples and free, prior and informed consent	33.1
38 Biodiversity	38.1, 38.2, 38.4
39 Tailings and waste rock	39.2a

CoC

A CoC critical breach is a critical non-conformance raised against any of the CoC provisions, supported by objective evidence that is triggered by:

- deliberate falsification of information required to support a conformance rating; or
- a systemic failure of the management system to implement the CoC; or
- total lack of controls needed to manage business risks to the CoC.

8.4 DOCUMENTING NON-CONFORMANCES

8.4.1 NON-CONFORMANCES IN THE AUDIT REPORT

All non-conformance findings must include clear and considered details about the non-conforming practice. Regardless of how thoroughly and efficiently the audit was conducted, the RJC will not accept ambiguous, untidy or poorly worded non-conformance information in audit reports.

If you are an auditor, make sure you document all non-conformances and:

- State the nature of the non-conformance clearly and exactly, identifying the likely underlying cause of the management system deficiency;
- Cross-reference the requirement of the provision being audited; and
- Support your finding with relevant and verified objective evidence.

8.4.2 NON-CONFORMANCES AT MULTI-SITES

All non-conformances shall be raised against the site at which they are identified, and recorded in the audit report as such.

8.4.3 ROOT CAUSE ANALYSIS

When documenting non-conformance findings, auditors should address the underlying causes to identify how to prevent the problem from recurring. Note that a management system deficiency may turn out to have multiple causes, for example:

- Missed or unknown legal requirements;
- Non-compliance with applicable law;
- Departure from procedure or defined process;

- Incomplete or missing documentation;
- Ineffective implementation of a control, process or procedure;
- Ineffective risk identification and risk assessment;
- Inadequate training;
- Incorrectly specified equipment and controls;
- Ineffective organisational structure; and
- Lack of resources, time or capacity.

9 Develop smart corrective action plans

Find out: When and how to develop a corrective action plan.

9.1 THE CONSEQUENCES OF NON-CONFORMANCE

Any finding of non-conformance during an independent audit has consequences for the member seeking certification. For example, in all cases, whether the non-conformance is minor or major or a critical breach, the member must take appropriate corrective action to address the non-conformance within a given space of time.

The consequences of non-conformances against the COP and CoC Standard, and the follow-up action required by members and auditors, is set out in Table 7.

Table 7. Consequences and follow-up action resulting from a non-conformance

CONFORMANCE RATING	COP	COC STANDARD
Minor non-conformance	<p>Members with minor non-conformances can still get certified for the full three years so long as they have submitted corrective action plans to the auditor for review within a month of the audit (date of closing meeting) and these actions have been approved by the auditor.</p> <p>Corrective actions should be implemented before the next recertification audit to prevent an escalation to a major non-conformance.</p> <p>The effective implementation and closure of corrective actions will be reviewed by the auditor during the next scheduled audit.</p>	
Major non-conformance	<p>Members with major non-conformances can get certified for one year so long as they have adequately addressed all major non-conformances or captured them in a corrective action plan that is approved by a lead auditor.</p> <p>Members must submit their corrective action plan to the auditor for approval within one month of the audit.</p> <p>If a major non-conformance is found during a mid-term review, the COP certification period will be reduced to one year.</p> <p>In all cases, members are expected to transition from a one-year certificate to a three-year one as soon as practicable (see Section 3.3).</p>	<p>Members with any major non-conformances cannot get certified. Similarly, outsourcing contractors with any major non-conformances cannot be included in the scope of the certification.</p> <p>If a major non-conformance is found during the surveillance audit, CoC certification will be suspended.</p> <p>Once it has addressed all major non-conformances, members can ask for another audit.</p>
Critical breach	<p>Where a proven major non-conformance of the COP has been identified against any of the provisions listed in table 6.</p> <p>Where a deliberate falsification of information, systemic failure of management systems, or a total lack of controls of business risks has taken place as per table 5b.</p> <p>The audit must be completed and the RJC notified within three working days of the critical breach being identified. Please refer to Section 5.2 for details on the Disciplinary Proceedings, which are triggered by critical breaches.</p>	

9.2 DESIGNING CORRECTIVE ACTION PLANS

Despite their name, corrective action plans can include both:

- Corrective actions implemented to eliminate the cause of an existing non-conformance to stop it from happening again; and
- Preventive actions implemented to stop a potential non-conformance from happening in the first place.

Knowing the right action to take relies on understanding the underlying cause of the actual or anticipated non-conformance. The RJC standards' guidance documents outline appropriate approaches that can be used to identify root problems and possible solutions (see **Section 1.4**). External experts can also help in this regard.

In all cases, the actions in a corrective action plan should be specific, measurable, achievable, realistic, timely (SMART) and effective (see box '**SMART and effective action**'). They must also be appropriately documented for approval by an auditor.

Members can use the RJC corrective action plan template for this purpose or their own equivalent (see **Appendix 2**). Either way, members should record the means, resources and time frame set for implementing each action in the plan.

SMART and effective action

All actions included in a corrective action plan should be:

- **Specific.** Is the corrective action clear and unambiguous? Does it address the underlying cause of the non-conformance?
- **Measurable.** Can the action's implementation be monitored and measured?
- **Achievable.** Does the action have clearly assigned responsibilities and resources?
- **Realistic.** Is the action realistic and fit for purpose, given the nature of the non-conformance? Has the means and capacity (personnel, infrastructure, funding, etc.) to implement the corrective action been assigned?
- **Timely.** Is the time frame for completing the action within the certification period adequate? Most corrective actions must be completed within the certification period. Actions involving capital works or approvals may require more time. In these cases, members should set progress milestones within the certification period and establish interim short-term corrective measures to mitigate the effects of the non-conformance.
- **Effective.** Will the action work to address the non-conformance and stop it from happening again?

After implementing corrective actions, members must verify their effectiveness to ensure they have:

- Addressed the root cause of a non-conformance; and
- Not introduced any new actual or potential risks.

Such verification should be done by appropriately qualified or experienced personnel commensurate with the nature and severity of the non-conformance. The actions will also be independently verified during the member's next audit. If that audit is done by a different firm from the last one, the member must give the new auditor a copy of its previous audit report including any corrective action plan and associated documents.

Specific instructions for members and auditors preparing, implementing or verifying corrective action plans for RJC standards are given in Table 8.

Table 8. Dealing with COP and CoC Standard corrective action plans: instructions for members and auditors

Conformance rating		Occurance			
		Initial audit	Mid-term / surveillance audit	Recertification audit	
Members	Minor non-conformance	First issue	(1) After the closing meeting, prepare a corrective action plan for review and submit to the lead auditor for approval within one month of the audit. (2) Once approved, carry out the actions in the plan and ensure that each non-conformance is addressed before your next audit.		
		Existing		(3) Provide evidence to show that you have implemented the corrective action plan and addressed all non-conformances.	
	Major non-conformance (COP only)	First issue	(1) After the closing meeting, prepare a corrective action plan and submit it to the lead auditor for review and approval within one month of the audit. (2) Once approved, carry out the actions in the plan and ensure that each non-conformance is addressed before your next audit.		(1) After the closing meeting, prepare a corrective action plan and submit it to the lead auditor for review and approval within one month of the audit. (2) Once approved, carry out the actions in the plan and ensure that each non-conformance is addressed before your next audit.
		Existing			(3) Provide evidence during your audit to show that you have implemented the corrective action plan and addressed all non-conformances.

Table 8. Dealing with COP and CoC Standard corrective action plans: instructions for members and auditors

Conformance rating		Auditors		
		Occurance	Initial audit	Mid-term / surveillance audit
Minor non-conformance	First issue	(1) Review and approve the member’s corrective action plan to ensure it can effectively address all non-conformances by the next audit. (2) Submit the approved corrective action plan to the RJC with your audit report within two months of the audit being completed.		
	Existing		(3) Verify that corrective actions have been implemented and all non-conformances addressed. (4) Give details of the verification evidence in your audit report. (5) Identify any non-conformance that has not yet been addressed and report what actions, if any, have been taken to address it.	(3) Verify that corrective actions have been implemented and all non-conformances addressed. (4) Give details of the verification evidence in your audit report. (5) Upgrade any non-conformances that have not been addressed within the three-year period to a major non-conformance .
Major non-conformance (COP only)	First issue	(1) Review and approve the member’s corrective action plan to ensure it can effectively address all non-conformances by the next audit. (2) Submit the approved corrective action plan to the RJC with your audit report within two months of audit completion.		
	Existing			(3) Verify that corrective actions have been implemented and all non-conformances addressed. (4) Give details of the verification evidence in your audit report. (5) Clearly document all outstanding non-conformances, and make your recommendation for certification according to Table 3. Note that a member cannot have more than three consecutive one-year certification periods (see Section 3.3)

10 Use objective evidence

Find out: How to identify, sample and document objective evidence for self-assessments and independent audits.

10.1 EVIDENCE TYPES

Objective evidence is any verifiable information, record, observation or statement of fact gathered during a self-assessment or an audit. Objective evidence can be qualitative or quantitative and may comprise:

- Documentation. This includes written policies and procedures for implementing the RJC standard or records generated from implementing practices and processes. An auditor will normally review records and other documents from the previous 12 months. In some cases, this may not be sufficient to provide accurate and useful evidence and the auditor will need to see older documents (see **Appendix 3**).
- Observations. Information gathered by observing activities and practices can be used as objective evidence, but it is important to verify an understanding of what has been observed.
- Testimonials. These comprise information gathered from interviews, which can be verified by reviewing records, observing activities or interviewing others.

Because objective evidence is used to support conformance ratings, it is vital that it is clearly and unambiguously recorded. In this regard, objective evidence can come from information in hard or soft copy documents, forms, records, or verified statements or observations (see box **'What is objective evidence?'**).

What is objective evidence?

Whether you are a member completing a self-assessment or an auditor conducting an RJC audit, your objective evidence must be all of the following:

- Relevant to the time period or scope of the assessment;
- Relevant to what is being assessed or verified;
- Traceable; and
- Clear and unambiguous.

Examples of objective evidence include, but are not limited to:

- Organisational charts outlining structure, responsibilities and authorities;
- Written materials describing company products and processes;
- Legal permits, licences or other authorisations and related documents and correspondence;
- Reviews of previous assessments;
- Audit reports and certifications from external recognised frameworks (see **Section 6**);
- Communications with interested parties, including neighbours and other stakeholders; and
- Risk assessment registers.

10.2 COLLECTION AND SAMPLING

The process of collecting objective evidence, whether by members or auditors, requires some level of sampling—for example, reviewing a representative sample of documents and records, interviewing a representative sample of personnel or observing a representative sample of key functions.

The methods you use to define your samples must ensure that they are representative and free from bias. Ultimately, your sample must be able to objectively support your conformance rating.

In part, ensuring a robust sample is about ensuring an appropriately sized sample in relation to the total population; this can serve to strengthen or undermine trust in your findings. Make sure your sample size allows others to be reasonably confident that you have represented the larger group.

In addition, ensuring a robust sample is about using the right sampling technique. You can choose samples based on your professional and informed judgement (e.g. to support a suspicion of a problem) or through probabilistic sampling approaches (e.g. random sampling). Either way, make sure you collect enough samples to ensure you have the evidence you need to verify whether systems and processes are in place and whether they are effective (see **Appendix 4** for more guidance on sampling techniques).

And either way, note that the actual process of gathering objective evidence involves interacting with people as well as technical skill. Strong communication, interviewing and observation skills are just as important as knowing how to establish a sample size or how to use a checklist effectively (see **Appendix 5**).

Practical guidance

11 For members: preparing for an audit

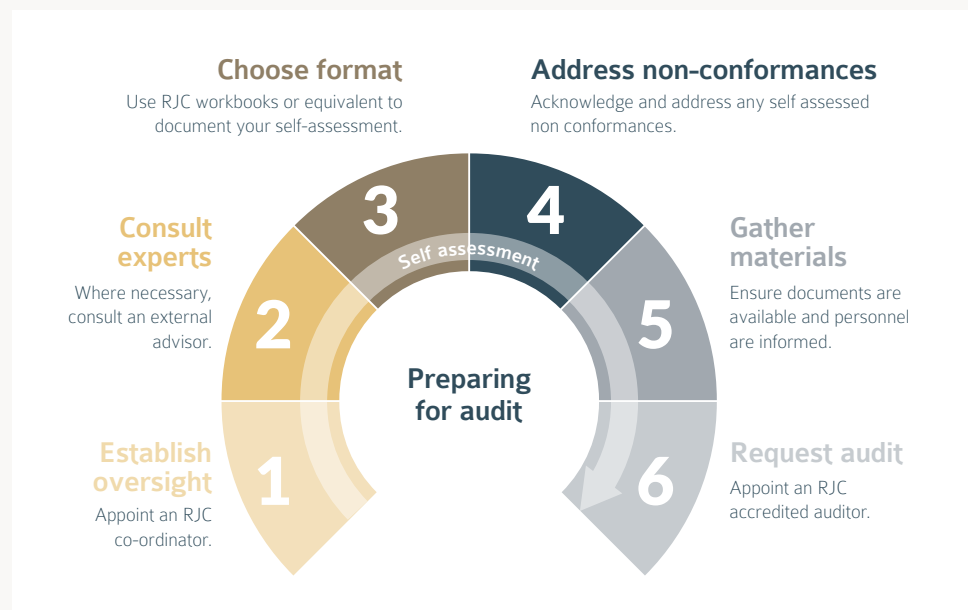
Find out: How to complete a self-assessment and use it to prepare for an independent third-party audit.

11.1 PREPARATION OVERVIEW

Before you engage an auditor to do a certification audit, we recommend you assess your systems against the RJC standard (COP or CoC Standard) yourself, address any non-conformances you find, get your documents in order and get key staff ready (see Figure 6). Note that you can schedule a combined COP and CoC audit. However, if you are scheduling a separate CoC audit, you must first achieve COP certification before scheduling the CoC audit.

Self-assessment is the cornerstone to preparing for an audit. It gives you insight to your current conformance levels so that you can identify and correct problem areas in advance. It points to the records and employees that your auditor may want to see, helping you gather relevant materials in advance and make the audit as efficient and effective as possible. And it allows you to accurately define and document your certification scope so that you can submit the right scope information to the RJC.

Figure 6. Six steps to preparing for audit



11.2 ESTABLISHING OVERSIGHT

We recommend that you designate an RJC co-ordinator from among your staff to oversee your self-assessment and audits. This co-ordinator's role might include:

- Managing your self-assessment;
- Acting as a central point of contact and support for corporate documentation and any corrective actions taken before the audit;
- Engaging an RJC-accredited auditor after self-assessment;
- Liaising with and supporting the auditor to identify and access additional information, contacts, scheduling and logistics, as required; and
- Keeping the RJC informed of progress, as required.

11.3 USING EXTERNAL EXPERTISE

If you feel you do not have the capacity, resources or confidence to complete a self-assessment, or to develop the systems and processes, you need to conform to an RJC standard and consider getting help from a competent external consultant or advisor.

It is entirely up to you whether or not you choose to hire an external expert to help in your self-assessment or audit (see box '**Using consultants in an audit**'). But note that any person (including personnel, external consultants or advisors) involved in your self-assessment or in the development of RJC-required systems cannot be part of the audit team as this represents a conflict of interest.

Using consultants in an audit

You are welcome to employ an external consultant to help you during your certification audit or review. But in all cases, please note that:

- Consultants can only be present during a certification audit in an observer capacity—they should refrain from answering questions on your behalf;
- Consultants must not be present during worker interviews; and
- Your auditors must include details of any consultants used or present during the audit in their audit report.

11.4 CHOOSING SELF-ASSESSMENT FORMATS

You are welcome to use any format you like to assemble the information you need for self-assessment. That might be an RJC workbook or an equivalent alternative. Either way, you must follow the methodology, use the process definitions and include all the mandatory information that is identified in the RJC workbook. Your completed self-assessment must be made available to the auditor.

Key Points

Your completed self-assessment must be made available to the auditor.

RJC workbooks

The RJC has developed self-assessment workbooks and toolkits for both the COP and the CoC Standard (see **Table 9**). In both cases, these will direct you to gather relevant objective evidence using prompts and questions to help you rate your conformance against each provision of the standard.

Table 9. RJC workbooks and toolkits available to help with self-assessment

STANDARD	WORKBOOK OR TOOLKIT	INFORMATION
COP*	Self-Assessment Workbook	Used by members to document the certification scope, assess conformance with the COP and prepare for the independent audit.
	Risk Assessment Toolkit	Used by members to conduct risk assessments. This toolkit supports the implementation of key provisions in the COP, and the output can be provided as evidence during an independent audit.
	Human Rights Due Diligence Toolkit	Used by members to conduct a human rights due diligence review. This toolkit supports the implementation of human rights COP provision 6, and the output can be provided as evidence during an independent audit. https://www.responsiblejewellery.com/support/cop-2019-walkthrough/provision-06/
	Due Diligence Member Toolkit for Sourcing from Conflict-Affected and High-Risk Areas	Used by members to conduct due diligence for responsible sourcing from conflict-affected and high-risk areas. This toolkit supports the implementation of COP provision 7, and the output can be provided as evidence during an independent audit. https://www.responsiblejewellery.com/support/cop-2019-walkthrough/provision-07/
CoC Standard**	Self-Assessment Toolkit	Used by members to document the certification scope for CoC, assess conformance and prepare for the independent audit.
	Outsourcing Contractor Assessment Form	Used by members to assess the conformance of outsourcing contractors (where these are used) against Know Your Counterparty (KYC) CoC Standard provision 2.

* Access the latest documents at www.responsiblejewellery.com/standards/code-of-practices-2019/

** Access the latest documents at www.responsiblejewellery.com/standards/chain-of-custody-2017/

If your business is complex or extends across multiple countries, you may decide to complete more than one self-assessment workbook as part of your overall self-assessment. In making your decision, you may want to consider:

- Your overall business’s organisational structure;
- How your management systems are designed and implemented;
- Whether your business crosses regulatory frameworks and jurisdictions;
- The size and nature of your business;
- The activities, complexity and technology used in your processes;
- Your product range; and
- The geography and location of your business.

We recommend completing the minimum number of self-assessment workbooks you need to get a representative view of your facilities and a suitable rating of conformance. Options include, for example:

- One workbook that covers all your business;
- One workbook that covers your manufacturing facilities, another that covers your retail business; or
- Separate workbooks that cover each one of your major retail brands.

11.5 CORRECTING SELF-ASSESSED NON-CONFORMANCES

By making you examine and review your business practices against each relevant provision of an RJC standard, your self-assessment will ensure you identify any non-conformances well in advance of your independent audit.

Use the time available during self-assessment to acknowledge and, where appropriate, address these non-conformances before submitting your self-assessment and commissioning an audit.

Pay particular attention to:

- Critical breaches. These must be fully addressed before commissioning a certification audit as disciplinary proceedings will commence if critical breaches are identified by your auditors (refer to **Section 5.2** for details).
- Major or minor non-conformances. These do not necessarily have to be fully resolved before your audit although you should try to address them wherever possible, or at least make them the focus of an internal corrective action plan. Your auditors will want to know what you are doing to correct any non-conformance identified during self-assessment.

For more information on developing and implementing a corrective action plan, see **Section 9**.

11.6 GETTING DOCUMENTS AND STAFF READY

To ensure an efficient and effective audit, gather any records and documents that the auditor is likely to want to see and make sure that all your staff are ready and able to support the audit process.

Gathering documentary evidence

In all cases, you must keep records in accordance with applicable law. For RJC certification purposes, any existing historical records and documentary evidence must be made available for review as and when your auditors ask for them.

Note that your auditor cannot take copies of any of these documents without your consent. Auditors will, however, review documents while on-site to assess conformance.

Informing and training staff

Make sure your staff—including employees and contractors—know that an independent audit will be happening, and help familiarise them with the process by, for example, sharing communication materials or providing training (see box ‘**How are RJC audits conducted?**’).

Preparing staff includes ensuring that they are familiar with the documents that are likely to be used to demonstrate conformance during your audit, including all relevant policies, procedures and the records generated from implementing these. See a list of these documents in **Appendix 3**; further examples are given in RJC self-assessment workbooks.

How are RJC audits conducted?

Managing your staff's expectations about an independent audit is important to ensure a smooth audit process. In some jurisdictions, you may be legally required to inform your employees of a forthcoming audit. Even where it is not a legal requirement, the RJC recommends that employees be told about the audit and the possibility of being interviewed.

Key points of information about how an independent audit is conducted and what managers, workers and contractors should expect from the process are listed below. For more information about how RJC audits work, see the guidelines we give RJC-accredited auditors in **Section 12** and **Appendix 5**.

- **Objectives.** An auditor's objective is to review a company's systems to establish whether they conform to an RJC standard; auditors are not there to audit individual behaviour or performance.
- **Activities.** Auditors will gather objective evidence by reviewing records, observing activities and practices and talking to staff.
- **Interviews.** Auditors may ask for individual and group interviews. In all cases, these interviews will be conducted in a confidential way: management will not be present; translators and support personnel may be. Interviews should be held in quiet meeting rooms wherever possible (some may be conducted in an open place).
- **Staff participation.** Auditors will choose interviewees based on who is best suited to answer their questions about specific COP or CoC Standard provisions. Some interviewees will be identified before the audit starts; some will be identified during the auditor's site inspection. In all cases, participation is to be encouraged but must be both voluntary and free from interference: auditors cannot force someone to be interviewed; managers cannot stop a willing interviewee from being questioned. Auditors may note situations where someone has refused to be interviewed.
- **Responses.** All interviewees must answer questions truthfully and accurately, including if they are unsure of the response. Some interviewees may be asked to describe or show how they carry out their day-to-day duties: this is standard practice for auditors wanting to observe practices to verify testimonial or documented statements.
- **Recordings.** Auditors will make notes from their interviews. In some cases, they may want to record the interview by audio or video media but they can only do so if the interviewee agrees to this type of recording.
- **Repercussions.** Interviewees cannot be reprimanded for their responses. If management identifies a factually incorrect response in the audit report, it must communicate the mistake to all concerned (employees, contractors and auditors) and state the correct answer, and provide evidence to verify it.
- **Anonymity.** Auditors will never name interviewees in their report to either the RJC or the company being audited. Findings based on objective evidence gathered during interviews will similarly ensure the interviewee's identity remains anonymous unless permission has been given by the interviewee.

11.7 REQUESTING AN AUDIT

Once you are ready to be audited, you can proceed with the appointment of an RJC-accredited audit firm (see www.responsiblejewellery.com/auditors/accredited-auditors for a list of current RJC-accredited audit firms). We recommend you contact more than one audit firm so that you can get a good sense of auditors' availability and commercial terms.

You may wish to consider asking your auditors to sign confidentiality agreements to protect your confidential or commercially sensitive information during their review of your business.

If you need to be audited against more than one RJC standard within a similar timeframe, you may wish to arrange simultaneous audits to reduce duplication of effort and minimise costs.

After finalising the agreement with your auditors, make sure you send them your self-assessment and any other relevant documentation (see box 'Information to send your auditor: checklist'). For example, if you are having a mid-term review or recertification audit, your information to the auditor must include any changes to the certification scope and live corrective action plans.

While you do not have to submit your self-assessment to the RJC, we do ask you to let us know when you have completed it and appointed your RJC-accredited auditor.

Information to send your auditor: checklist

When sending on your self-assessment and relevant documentation to your auditor, make sure that you have included information on:

- Your certification scope, including contact details and addresses of all facilities.
- The number of employees and contractors per facility (COP).
- Any relevant contractors, business partners or related companies (COP).
- Any certifications from external recognised frameworks (COP).
- Any anticipated changes to the certification scope such as expansions, acquisitions, divestments, etc.
- Any self-assessed non-conformances and how these are being addressed.

12 For auditors: doing an independent third-party audit

Find out: What the RJC expects from independent third-party audits for the COP and CoC Standard. While this section is primarily targeted at RJC-accredited auditors, RJC members may also find it useful in understanding what to expect from their RJC audit.

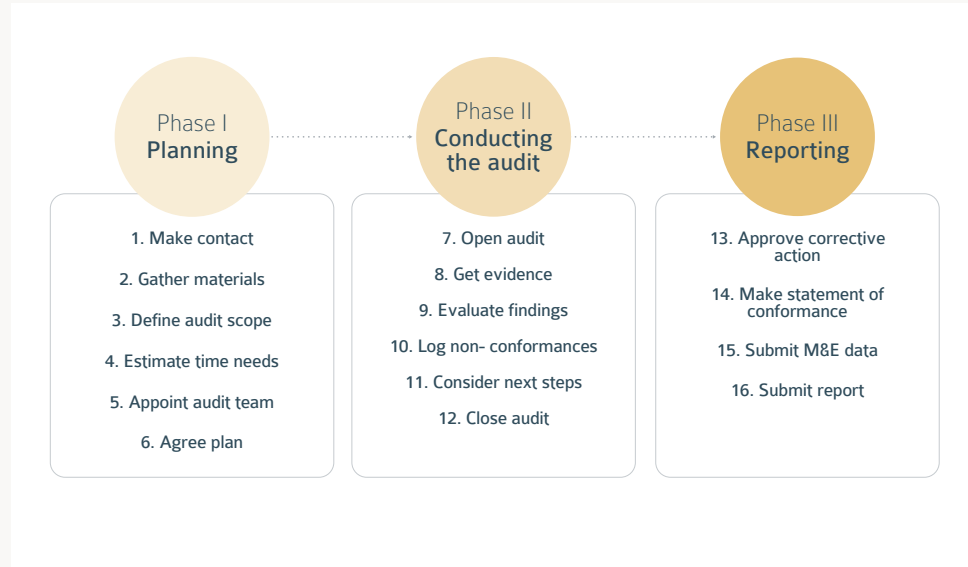
12.1 OVERVIEW

The independent third-party audit that you carry out as an RJC-accredited auditor is used to verify that the business, systems and processes of an RJC member (or an entity under its control)³ conform to RJC requirements as set out in the COP or CoC Standard.

RJC audits are broadly made up of three phases: planning, conducting the audit and reporting (see **Figure 7**). The sections that follow offer practical information and guidance on each of the steps identified in these phases. For more general guidelines on how to conduct effective audits, including how to listen, question and observe effectively, see **Appendix 5**.

3. Use of the term 'member' throughout Section 12 should be taken to mean 'member' in the case of the COP and 'member or entity' in the case of the CoC Standard.

Figure 7. The individual steps taken by RJC-accredited auditors



12.2 PHASE I: PLANNING

12.2.1 MAKE CONTACT

The first step to an RJC audit is to make contact with the member to discuss and confirm details about the audit, such as data availability, pre-audit visits (if possible and agreed) and on-site timetables. How formal this communication needs to be will depend on the type of assessment at hand, local culture and customs, and how familiar you are with the member's business.

Specificities regarding the audit process to consider in your initial communications with the member include:

- The audit's objectives;
- The need for a pre-audit visit (if relevant and feasible);
- The date and timing of the audit;
- The logistics involved in carrying out the audit;
- The availability of key personnel for interview;
- Access to documentation;
- The size and composition of your audit team; and
- The need for a confidentiality agreement.

Pre-audit visits

In some cases, arranging a pre-audit visit to some or all of a member's facilities can help you plan your audit more effectively. Pre-audit visits can give you a clear sense of the size, complexity and scope (geographical, workforce and process range) of the business so you can see what and where you have to focus your review. However, they shall not be used for any consultancy activities or pre-assessment.

Note, however, that pre-audit visits are not mandatory for RJC audits and should only take place if they have been explicitly requested and agreed to by the member.

Confidentiality agreements

As an auditor, you may have access to confidential or commercially sensitive information during your desktop and on-site audits. Confidentiality agreements are common practice for third-party verification and auditing.

It is up to the member to decide whether or not they want you to sign a confidentiality agreement to stop you disclosing sensitive information to third parties. Either way, you must still meet RJC reporting requirements.

12.2.2 GATHER AND REVIEW MATERIALS

Try to get as much understanding of the member's business as possible by accessing and reviewing relevant documents, which must include the member's completed self-assessment. Other useful documents to review include:

- Organisational charts outlining structure, responsibilities and authorities;
- Written descriptions of products and processes, including:
 - Infrastructure, facilities and equipment;
 - Working hours and shifts;
 - Applicable legislation; and
 - The reports of previous audits and corrective action plans (where applicable); and
- Reports or briefings on relevant issues, for example:
 - A list of interested parties, including neighbours and other stakeholders;
 - A risk profile outlining ethical, environmental and workplace health and safety issues; or
 - A summary of any complaints received by the RJC requiring review during the audit.

Note that you are expected to be aware of both the intent and practical application of instructive documents such as regulations, standards, policies, contracts, procedures, specifications and guidelines.

In addition to collecting key documents, you should also gather general information about the activities or functions you will be auditing. Wherever possible, try to do this before the audit. It is not uncommon, however, to have to exercise flexibility here if, for example, information is not available off-site.

12.2.3 DEFINE AUDIT SCOPE

You, as the auditor, are responsible for defining the extent and boundaries of what you will review during your audit (the 'audit scope'). This should include a selection of facilities and business activities from within the member's RJC certification scope and the applicable COP or CoC Standard provisions as determined by **Appendix 1**.

Key Points

If you are doing a COP audit, you do not necessarily have to visit all the facilities within the member's certification scope (see 'Multi-site organisations' below).

- If you are doing a CoC audit, every facility that falls within the member's certification scope must also be included in your audit scope, and receive an on-site audit. See the box below for instructions on which outsourced contractors should fall within the audit scope (see box 'CoC audits: when to visit outsourced contractor facilities').
- Please ensure that audit teams are thoroughly briefed prior to the audit; materials or processes NOT in the member's RJC scope are not subject to an RJC audit – e.g. watch batteries.

In all cases, when defining the audit scope, make sure that you:

- Take account of risk and relevance using available information (e.g. the member's self-assessment, public reports, legislative frameworks, previous audit scopes and results, corrective action plans and any external recognised frameworks);
- Can fit your work within the recommended time limits, or as otherwise negotiated (see Tables 12 and 13);
- Will be able to get the necessary objective evidence to produce a statement of conformance; and
- Document the scope in an audit plan detailing which provisions are to be assessed at which facilities and which external equivalent frameworks, if any, you have verified (see **Section 6**).

If you have any queries about audit scope, contact us at certification@responsiblejewellery.com.

CoC audits: when to visit outsourced contractor facilities - Members

All RJC members seeking CoC certification must assess the risks of non-conformance by their outsourced subcontractors. Risk is assigned dependant on activities of the outsourced subcontractor. You must visit all high-risk outsourced contractors to verify the risk assessment and ensure they conform to the necessary CoC provisions. You **must** visit a sample of medium risk outsourced subcontractors to verify the risk assessment and ensure they conform to the necessary CoC provisions. You **may elect** to visit low risk outsourced subcontractors to verify the risk assessment and ensure they conform to the necessary CoC provisions. The more preparatory work you conduct with your outsourced contractors, the more likely they are to conform to the relevant CoC provisions.

CoC audits: when to audit outsourced contractor facilities - Auditors

When conducting **CoC certification** audits (including surveillance and extension to scope (if applicable), all of the member's **high-risk** outsourced subcontractors (criteria dependant) must be audited to ensure that the member has conducted their risk assessments, on-site visits and any mitigation actions verifying that high-risk outsourced contractors conform to CoC provision 4. All outsourced subcontractors identified as medium risk must be audited via a recognised sampling methodology. There is no need to conduct audits of low-risk outsourced subcontractors.

- High-risk outsourced subcontractor are classified as those that change the physical properties of the material or product. Outsourced contractors who do not change the physical properties of the product are not high-risk.
- Medium-risk outsourced subcontractor are classified as those that add or adapt the physical properties of the material or product, such as plating, stone setting, or similar.
- Low-risk outsourced subcontractor are classified as those that do not change, adapt or add to the physical properties of the material or product such as polishing, engraving and hall marking.

When an outsourced subcontractor provides a number of activities with a range of associated risks, the risk level assigned (see above) with that outsourced subcontractor should always be highest risk. When the auditor considers a member has mis-classified the risk level at an outsourced subcontractor, they should refer to the above descriptions above to clarify.

RISK	INITIAL OR RECERTIFICATION COC AUDIT	SURVEILLANCE AUDIT, CHANGE OF SCOPE	EXAMPLE OF ACTIVITIES
High	All	Sampling	Manufacturing, refining (alloying)
Medium	Sampling	Sampling	Plating, stone setting
Low	None	None	Polishing, engraving

- An audit of each member's outsourced contractor should take no longer than 0.5 days, unless the outsourced subcontractors circumstances require more time (for example multiple locations, large processing quantities, complex processes). The auditor should provide rationale to the member when they recommend a longer audit time than 0.5 days for each outsourced subcontractor.
- Auditors are only verifying the member's risk assessment, their own on-site assessment and whether the outsourced subcontractor is compliant with the relevant CoC provision. However if an auditor were to witness a critical situation (related to the critical provisions of the COP, such as child labour, human rights) they should notify the outsourced subcontractor and RJC member immediately to this situation.
- Total time spent at outsourced subcontractors should not normally exceed the total time spent on the CoC audit (including planning, on-site, off-site and reporting). This can be exceeded if circumstances of the CoC audit warrant this, such as a high number of outsourced subcontractors, risk assessment and the geographic location of outsourced subcontractors.
- For shared outsourced subcontractors (i.e. where the same facility is used by two or more RJC members), if the member can share an audit report conducted by an accredited RJC auditor that is less than 12 months old and demonstrates full conformity, this can be used as evidence of conformity and substitute an additional onsite audit.

NOTE: Physical properties are the intrinsic characteristic of a metal. At room temperature and standard atmospheric pressure, a dimensional change or a form change does not materially affect the physical properties of material. The possibility that non-COC materials may be added or mixed to segregated CoC materials is a high risk to the change of the physical properties of the material or product.

Reasons why you may decide to conduct an audit of low risk outsourced subcontractors include:

- The member has not sufficiently assessed a low risk outsourced subcontractor within the past 18 months.
- You find a discrepancy with material received from a contractor and need to investigate further.
- You have any other justifiable reason to assess contractors on-site.

Subsequent reviews

After a member achieves RJC certification, it is still subject to subsequent reviews to ensure that it continues to conform to the standard at hand. Such reviews include recertification audits, as well as mid-term reviews (for the COP) and surveillance audits (for the CoC Standard).

If you are setting the audit scope for a subsequent review, think about:

- Those facilities and provisions that were not visited or were given less attention in the last audit;
- The nature of any non-conformances found in the last audit;
- Any corrective action plans, past or present;
- Any changes in certification scope since the last audit;
- Any business changes since the last audit, including organisational structure and resources; and
- Any complaints about the member received by the RJC.

If a complaint has been flagged for follow-up during a subsequent review, the RJC Management Team will contact you to ensure the issue is included in your audit scope. You should, however, also check for pending complaints yourself, by directly asking the RJC or member.

Multi-site organisations

In many cases, the RJC member being audited may be a multi-site organisation. The RJC defines this type of organisation as any member with an identified central office (functional or head office, geographic headquarters, etc.) that controls or oversees a network of sites or branches doing its business activities (see box 'What is a multi-site organisation?').

What is a multi-site organisation?

A multi-site organisation need not be a unique legal entity, but all of its sites have a legal or contractual link with the central office and are subject to a common management. Examples include:

- Mining companies with a combination of mines, concentration plants, offices and sales operations;
- Manufacturing companies with a network of factories;
- Retailers with multiple outlet stores (or any other company that has multiple branches);
- Companies with a mix of manufacturing sites and retail outlets;
- Service companies with multiple sites (e.g. a transport provider with multiple depots); and
- Organisations operating with franchises.

Note that sites may be permanent (e.g. mines, factories, retail branches, etc.) or temporary (e.g. construction sites, project sites, testing facilities, etc.).

If you are auditing a multi-site organisation, you should ideally visit all sites that fall within its certification scope. In some cases, however, you can choose to limit your visits to a representative sample of sites. The criteria for these cases are that:

- The different sites largely comprise of retail outlets; or
- Most of the activities done, equipment used and products made and sold at each site are substantially the same; as well as the conditions (this would not apply to mine sites for example, where conditions are always unique even if activities, equipment and products are the same); and
- The activities, equipment and products are governed by common management systems, under the direction of the central office.

Table 10 offers a general guide to selecting the minimum number of sites to visit for eligible multi-site organisations—that is, for organisations that meet the criteria above (not for organisations whose multiple sites fundamentally differ in activity or management system, even if they fall within the same certification scope).

Table 10. Minimum number of sites to visit (excluding the central office) for RJC audits

NUMBER OF ELIGIBLE SITES	FIRST CERTIFICATION AUDIT	MID-TERM REVIEW (COP) / SURVEILLANCE AUDIT (COC STANDARD)	RECERTIFICATION AUDIT
1	1	1	1
2	2	1	2
3	3	2	2
4–10	4	2	3
11–30	5	3	4
31–60	6	3	4
61–80	7	4	5
81–100	8	4	5
≥101	Square root, multiplied by 0.9, rounded up to the nearest whole number	Square root, multiplied by 0.5, rounded up to the nearest whole number	Square root, multiplied by 0.8, rounded up to the nearest whole number
If, and only if, square root methodology is not practical and feasible in economic and operative terms, below reduced sampling size can be applied conditionally and only to retail outlet stores (whether owned or franchised).			
≥101	10	5	8

In general, you should choose which sites to visit before starting your audit. If you decide you need to change the number or type of sites to visit as a result of your initial findings at the central office, you must inform the member, justify your reason for the change and give them enough time to prepare for the change.

In all cases, you must choose which and how many sites to visit in a way that ensures your audit can confidently verify full conformance with the RJC standard while remaining practical and feasible in economic and operative terms. The use of the reduced sampling size for retail outlet stores must be clearly justified on a risk basis. It will be up to you to consider whether non-conformances identified at an individual site are likely to affect other sites that also require corrective action.

Things to consider (and conditions for reduced retail outlet stores sampling) when selecting sites include:

- Significant variations across sites in terms of size, shift patterns and work procedures;
- Complexity of the different sites' management systems or processes (e.g. mining operations will have more complex systems);
- Maturity of the member's management systems, and your own knowledge of the member. If you are using the reduced sample size for retail outlet stores, you must consider the presence of effective internal audits process and grievance mechanism, including a process for employees to whistleblow/raise concerns;
- Likely impact of the member's activities, equipment and products on human rights, environment and health and safety risks;
- Differences in geography, culture, language, regulatory requirements and risk profiles across sites. If you are using the reduced sample size for retail outlet stores, you must ensure the selection covers key regions in scope and explain the basis on which the "key" regions were selected; and
- Records of complaints and other relevant aspects of corrective and preventive action.

If you are doing a subsequent audit, pay particular attention to the results of previous audits when selecting sites and consider:

- The number and severity of any non-conformances found. If a retail outlet store had Major non-conformances identified in previous certifications, then it needs to be visited again in addition to the reduced sample size;
- Any site-specific changes, or changes to certification scope, that have since been made; and
- Those sites that have not already been audited (try to rotate and visit different sites across subsequent audits, especially in regard to retail outlet stores, unless you have a specific reason for revisiting a particular one).

Key Points

In all cases, your audit of any multi-site organisation must be completed within four months of the first site visit.

For more information and advice on auditing multi-site organisations, see:

- International Accreditation Forum (IAF), IAF Mandatory Document for the Audit and Certification of a Management System Operated by a Multi-Site Organization (IAF MD 1:2018) (2018) (www.iaf.nu/upFiles/MD1Issue2Jan2018Pub29012018.pdf, accessed 1 May 2019).
- ISO 2859-1:1999, Sampling Procedures for Inspection by Attributes, part 1: sampling schemes indexed by acceptances quality limit (AQL) for lot-by-lot inspection (second edition 1999-11-15).

Incorporating early mining activities (COP only)

If you are auditing a member that carries out activities in the exploration to pre-commissioned stages of a mine's life cycle, use the criteria given in Table 11 to decide which activities to include in your audit scope.

Note that these early stages of a mine's life cycle encompass a wide range of activities, and you may need to use your professional judgement to decide how to sample these through desktop reviews and site visits.

Table 11. Criteria for including mining exploration to pre-commissioned activities in a COP audit scope

GENERALLY EXCLUDED FROM THE AUDIT SCOPE*	GENERALLY INCLUDED IN THE AUDIT SCOPE FOR DESKTOP REVIEW*	GENERALLY INCLUDED IN THE AUDIT SCOPE FOR SITE VISIT
<p>Activities leading up to the Ore body delineation stage, including:</p> <ul style="list-style-type: none"> • Prospecting; • Area selection; • Target identification; and • Initial drilling. 	<p>Delineation or evaluation activities, taking into consideration:</p> <ul style="list-style-type: none"> • Scale, expenditures (e.g. US\$100 million cut-off); • Presence of significant social or environmental issues; • Works such as new airstrips, permanent or high-impact roads, multi-year camps; • Bulk sampling, on-site processing facilities; and • Start of feasibility studies. 	<p>Projects where:</p> <ul style="list-style-type: none"> • The mine is now under construction; and • A free, prior and informed consent process is under way (if applicable).

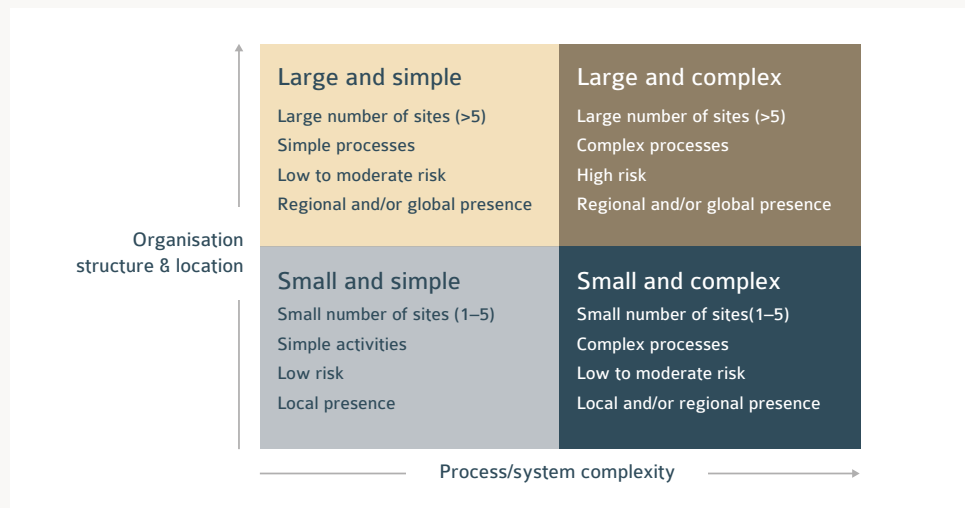
*If the member has no other active mining facilities, you may need to include a representative sample of these activities in your audit scope for site visits.

12.2.4 ESTIMATE YOUR TIME NEEDS

The cost of an audit is a direct function of how much time you need to cover the audit scope and how much you charge for your work. As auditor rates can be very diverse, this section focuses its guidance on how much time is generally required to do an RJC audit.

The audit time (in person-days) depends on factors such as the size, complexity and location of the member being audited (see Figure 8).

Figure 8. Organisation types and complexity factors that affect auditing times



Organisational structure, location and complexity (the axes in Figure 8) comprise a continuum of business types rather than discrete categories. So, for example, the complexity continuum moves from businesses with limited product lines or simple processes (e.g. retailers) to those with multiple products and varied operations (e.g. diamond traders or jewellery manufacturers) to those with complex, unique or significant operations (e.g. miners).

Similarly, the location continuum moves from companies with a local presence (usually within a city or locality) to those with a regional presence (typically within a country or several countries) to those with a global presence (typically multinational organisations).

On-site time requirements

In general, the larger and more complex an organisation is, the more time you will need on-site to effectively audit it. Other factors that can increase the amount of on-site time will include:

- The use of complicated provenance claims;
- The presence of any pending complaint investigations;
- The level of preparation the member has done; and
- The number of people you intend to interview, which will vary based on total number of employees, risks, and nature and scale of activities (see **Appendix 5**).

Factors that can decrease the amount of on-site time will include members who are well prepared and cross-recognition of existing certifications and/or initiatives.

Table 12 offers a general guide to how much on-site time you will likely need to audit the four broad types of business for initial certification against the COP or CoC Standard.

Table 12. Guidelines for on-site time requirements for an RJC certification audit, according to business type⁴

NUMBER OF PERSONNEL WORKING IN FACILITIES INCLUDED IN THE CERTIFICATION SCOPE*	BASE TIME (ON- SITE AUDIT PERSON-DAYS)	ADDITIVE FACTORS (BUSINESS COMPLEXITY AND LOCATION) IN PERSON-DAYS			
		SMALL AND SIMPLE	SMALL AND COMPLEX	LARGE AND SIMPLE	LARGE AND COMPLEX
1–25	2	–1	0	+1	+3
26–100	3	–1	0	+1	+3
101–500	5	–1	0	+2	+5
501–1,000	6	–2	+1	+2	+6
1,001–5,000	8	–2	+1	+4	+6
5,001–10,000	10	–3	+2	+4	+8
10,001–20,000	12	–4	+3	+6	+10
>20,000	>12	–<4	+>3	+>6	+>10

* The number of part-time employees should be treated as full-time equivalents based on the number of hours worked as compared with full-time employees.

4. Based on estimates for management system certification schemes as published by the IAF. See IAF, Determination of Audit Time of Quality and Environmental Management Systems (IAF MD 5:2015) (2015) (www.iaf.nu/upFiles/IAFMD5QMSEMSAuditDurationIssue311062015.pdf, accessed 1 May 2019).

If you are doing a subsequent audit (mid-term review or surveillance audit) and the certification scope has not changed, you should not need more than half the time spent on the initial audit. For recertification audits, the time required should not exceed two-thirds of the time spent on the initial audit (see Table 13).

Table 13. Guidelines for on-site time requirements for subsequent RJC audits⁵

NUMBER OF PERSONNEL WORKING IN FACILITIES INCLUDED IN THE CERTIFICATION SCOPE*	INITIAL CERTIFICATION (SEE TABLE 12) IN PERSON-DAYS	MID-TERM REVIEW (COP)/ SURVEILLANCE AUDIT (COC STANDARD) IN PERSON-DAYS	RECERTIFICATION IN PERSON-DAYS
1–25	1–5	0.5–3	1–4
26–100	2–6	1–4	2–5
101–500	4–10	2–5	3–7
501–1,000	4–12	2–6	3–8
1,001–5,000	6–14	3–7	4–9
5,001–10,000	7–18	4–9	4–12
10,001–15,000	8–22	4–11	5–15
15,001–20,000	9–26	5–13	6–17
>20,000	>8	>5	>6

* The number of part-time employees should be treated as full-time equivalents based on the number of hours worked as compared with full-time employees.

Off-site time requirements

As a general rule of thumb, the time spent doing an audit is distributed as follows:

- 30 per cent of time devoted to planning and preparation;
- 50 per cent to the on-site component of the audit; and
- 20 per cent for post-audit follow-up and reporting.

This means that the total time you will need to complete your audit will be approximately twice that spent on-site at the member’s premises.

Combining audits

To help achieve time and cost efficiencies in auditing, members can choose to combine their certification audits for the COP and CoC Standard. You should check with the member if relevant, and if so, whether they want to combine them.

If the member chooses not to combine its audits, or if a combined audit is not possible, then please note that you must only carry out a CoC certification audit after the member has completed its COP audit, not before.

12.2.5 APPOINT THE AUDIT TEAM

Your audit may be carried out by one or more individual auditors. In all cases, your audit team must include a lead auditor (see box ‘The lead auditor’) and its members must, between them, have the knowledge and skills necessary to meet the audit’s objectives effectively and efficiently. In addition, every auditor within the team must:

- Be independent;
- Be RJC-accredited and trained; and
- Have knowledge of practices, processes and equipment typically used by the company being audited.

The precise size and composition of your audit team will be influenced by various factors, including:

- Audit scope;
- Availability of qualified auditors;
- Geographic location of the member being audited;
- Requirements for specialist knowledge; and
- Cultural and language considerations (e.g. country or regional social familiarity, religion, gender, etc.).

5. Based on estimates for management system certification schemes as published by the IAF. See IAF, Determination of Audit Time of Quality and Environmental Management Systems (IAF MD 5:2015) (2015) (www.iaf.nu/upFiles/IAFMD5QMSEMSAuditDurationIssue311062015.pdf, accessed 1 May 2019).

The lead auditor

Every audit team must have a lead auditor who is responsible for ensuring the audit is conducted and completed efficiently and effectively, within the approved scope and plan.

In addition, the lead auditor should:

- Appoint the audit team and direct its activities;
- Consult with the RJC member when determining the audit scope and plan;
- Prepare the audit plan and communicate it to the RJC member and audit team;
- Get the relevant background information needed to meet the audit objectives;
- Be present at all on-site visits;
- Co-ordinate the preparation of working documents;
- Resolve any problems that arise during the audit;
- Recognise when audit objectives are unattainable and report the reasons to the RJC member and the RJC;
- Represent the audit team in all discussions;
- Notify the RJC member of the audit findings;
- Approve corrective action plans for any non-conformances identified in the audit; and
- Report the audit results to the RJC member and the RJC, including signing a statement of conformance.

Topic experts and translators

In some cases, you may need to include topic experts or translators in the audit team to provide specific subject-matter expertise or to help translate foreign-language evidence. If you choose to use translators, they must be recruited by you and be available to assist the audit team on-site.

In all cases, choose experts and translators in a way that does not allow them to influence your audit. Note that no one involved in the RJC member's development of management systems or in its self-assessment (including personnel, external consultants or advisors) is allowed to be part of the audit team, as this represents a conflict of interest.

Key Points

If you use a topic expert or translator to support your audit, you must identify them in the audit report.

Team conduct

As a group, the audit team is expected to:

- Support, and follow the directions of, the lead auditor;
- Plan and carry out the assigned tasks objectively, effectively and efficiently;
- Collect and assess objective evidence;
- Prepare working documents under the direction of the lead auditor;
- Document audit findings; and
- Help prepare audit reports.

How the team fulfils these expectations depends on its members' individual style of auditing. While this may well differ from one auditor to another, all RJC-accredited auditors are expected to abide by the International Organization for Standardization (ISO) auditing guidelines (see Figure 9).⁶ The fundamental objective of using these principles is to ensure that different auditors working independently from one another will reach similar conclusions in similar circumstances.

6. ISO, ISO 19011:2018 Guidelines for Auditing Management Systems (2018) www.iso.org/standard/70017.html

Figure 9. The seven principles for effective auditing as identified by the ISO

Principles for effective auditing	1 Integrity The foundation of professionalism	Do your work ethically, with honesty and responsibility. Only undertake activities if you are competent to do so. Work in an impartial way. Be sensitive to potential influences on your judgement.
	2 Fair The obligation to report truthfully and accurately	Ensure your reports and conclusions truthfully and accurately reflect the company's practices. Report significant obstacles and differences of opinion. Ensure all communications are truthful, accurate, objective, timely, clear and complete.
	3 Due professional care The application of diligence and judgement in assessments	Exercise competence and care commensurate with the importance of the task you perform and the confidence placed in you.
	4 Confidentiality Security of information	Be discreet when using data acquired during audits. Protect sensitive or confidential information. Never use audit information for personal gain.
	5 Independence The basis for impartiality and objectivity of conclusions	Be independent of the company and activity under audit. Remain free from bias and avoid any situation that could undermine your capacity for impartiality (i.e. conflicts of interest—for example, a personal, professional or financial relationship with the company you are auditing).
	6 Evidence-based approach The rational method for reaching reliable and reproducible conclusions in a systemic assessment process	Make sure your findings and conclusions are based purely on objective evidence (evidence that is verifiable). Use appropriate sampling techniques to ensure you gather enough objective evidence to secure confidence in your results and conclusions.
	7 Risk-based approach An audit approach that considers risks and opportunities	Consider risks and opportunities when planning, conducting and reporting your audit. Focus on matters that are significant for the company being audited, and for achieving the audit objectives.

12.2.6 DOCUMENT AND AGREE THE PLAN

Once the lead auditor has defined the audit scope, calculated the time requirements and appointed the audit team, all audit activities need to be carefully documented in an audit plan and agreed with the RJC member.

Use the audit plan to outline what activities your audit team will review, when, in which organisational areas and involving which personnel. Plan audit activities logically in a way that causes minimum disruption to normal business processes while still building the sequence of objective evidence needed to verify conformance.

In all cases, your audit plan should make the best use of available resources (both yours and those of the RJC member). Make sure you build in enough flexibility to allow for changes in emphasis based on information gathered during the audit.

Audit plans are typically set out as a timetable. In all cases, they should include the following information:

- Audit objectives and scope.
- Dates, places and times of audit.
- Names and roles of auditors (which activities they will be assessing).
- Primary language of the audit.
- Business practices and the facilities to be assessed.
- Likely documentation to be reviewed.
- Expected time and duration of each major audit activity.
- Personnel (or functional roles) to be interviewed.
- Schedule of meetings to be held (with managers, other employees, contractors and the RJC member's designated RJC co-ordinator).
- Schedule for revisiting and reviewing information.
- Time allocated for miscellaneous activities such as inductions and breaks.

Key Points

Once you have documented your audit plan, present it to the RJC member at least two weeks before the audit will start. This will give the member time to prepare and, if necessary, suggest changes to minimise disruption to its business. Note that while RJC members can ask to change the time or date of specific activities, they cannot request a change to the audit scope and objectives that you have set.

Once the audit plan is approved, send a copy to the member's RJC co-ordinator and ask them to:

- confirm availability of interviewees and access to documents;
- Invite senior management to attend entry and exit meetings;
- Arrange for guides to be available during on-site visits;
- Confirm any health and safety requirements for visitors;
- Make office facilities (including space and meeting rooms) available to conduct interviews and review information;
- Arrange for any personal protective equipment the auditors may need when visiting facilities;
- Allocate time for inductions and introductions; and
- Advise all staff of the audit arrangements.

Combining audits

To help achieve time and cost efficiencies in auditing, RJC members can choose to combine their certification audits for the COP and CoC Standard where this is relevant. If this is the case, you should develop a combined audit plan.

Similarly, to support the broader harmonisation of efforts for responsible business practices, RJC members may ask you to plan their RJC audit so that it coincides with other audits for external recognised frameworks and company protocols such as the De Beers Best Practice Principles and the Signet Responsible Sourcing Protocol. We encourage you to facilitate such requests whilst also ensuring the integrity of the RJC certification.

12.3 PHASE II: AUDIT

12.3.1 MEET TO OPEN THE AUDIT

Your first activity of the audit itself should be an opening meeting to:

- Introduce your audit team to the RJC member's representatives;
- Confirm briefly the purpose and scope of your audit;
- Review your timetable of activities;
- Provide a short summary of the methods and procedures you will use to conduct the audit;
- Explain the confidential nature of the audit process;
- Arrange for guides to accompany your team, as required;
- Check if there are any on-site rules you should follow; and
- Answer any questions that the meeting participants may have.

Record the job titles of all meeting participants and include the agenda and brief notes of the discussion.

12.3.2 COLLECT OBJECTIVE EVIDENCE

The collection of objective evidence serves as the basis upon which you determine conformance with the RJC standard. It involves assessing, verifying and reviewing business practices and activities, including interviewing employees to determine whether these meet the requirements of an RJC standard.

Use your audit plan to guide the process. If you are an experienced auditor, you may not necessarily need to follow a stepwise approach to the collection of objective evidence, but will be able to do all three tasks at the same time.

Record details of all objective evidence collected, including where it came from, which may include hard or soft copy documents, forms, records, verified statements of fact or your own observations.

The process of collecting objective evidence requires good people skills as well as technical ability. Remember that some RJC members may not be used to formal audits, and their employees and contractors may be apprehensive. You will need strong communication, questioning, listening and observation skills to interact effectively with interviewees and others (see **Appendix 5**).

Objective evidence: activity checklist

- Have you verified the certification scope? Does it cover all parts of the business that actively contributes to the gold, silver, PGM, diamonds and coloured gemstones jewellery supply chain?
- Have you verified the reasons given for any 'not applicable' conformance ratings present in the member's self-assessment?
- Have you recorded all objective evidence so that it is clear and unambiguous?
- Have you collected objective evidence for everything within the audit scope?

12.3.3 EVALUATE FINDINGS

After you have collected objective evidence, it is time to evaluate it. The purpose of this step is to integrate the individual findings and observations across the audit team and rate the RJC member's conformance with each provision in the audit scope (see **Section 8**).

This is typically done through a series of audit team meetings held periodically throughout the audit, followed by a final auditors' conference once all interviews and inspections have finished. However you choose to integrate your team's findings, it is important to create opportunities to identify commonalities across findings that may impact the RJC member's conformance rating.

For example, a group of related, repetitive or persistent minor non-conformances may indicate a company-wide systemic failure or total lack of required controls that justifies a rating of major non-conformance (see box 'From minor to major non-conformance: related, repetitive or persistent' in **Section 8.1**).

It is up to your audit team, under the direction of its lead auditor, to develop a consensus in rating conformance with the applicable RJC standard.

FAQ: Does a lack of objective evidence result in a non-conformance?

Not necessarily.

If, for example, you know that objective evidence about a business procedure exists, but it cannot be found because of poor record-keeping practices, then the lack of objective evidence should result in a non-conformance.

But if, for example, the RJC member has developed a procedure but has not had to use it yet, then there can be no records of it. Therefore, a lack of objective evidence does not demonstrate poor performance and does not automatically constitute a non-conformance.

In this case, you should simply note the procedure in your audit report and flag it for future review. Of course, even though you cannot say whether the procedure in this case is effectively implemented, you can still determine whether the procedure as written meets the requirements of the relevant provision.

12.3.4 LOG NON-CONFORMANCES

All non-conformances must be established in accordance with the requirements and guidance set out in Section 8. They must then be documented, presented at the closing meeting (see **Section 12.3.6**) and included in your audit report (see **Section 12.4.4**).

When documenting a non-conformance:

- Communicate the extent of the problem fully.
- Use familiar terminology.
- Do not draw unsubstantiated conclusions.
- Do not focus on individuals or their mistakes.
- Do not criticise.
- Give regulatory or external references where relevant.
- Avoid contradictory messages.
- Review the non-conformance with the RJC member to ensure the facts are correct and fair.

12.3.5 CONSIDER NEXT STEPS

A. Suggestions for improvement

Before presenting your findings to the RJC member, consider what your suggestions for next steps might be. In particular, think about whether, based on your experience, you want to offer any suggestions of ways to improve business practices that already conform to the RJC standard but which could nevertheless be made more effective or efficient. These can only be offered for operations or processes that are unrelated to areas where non-conformances have been identified during the audit.

Such suggestions should be made for information only. Offer them without prejudice, and make it clear that the member is under no obligation to follow them and that subsequent audits will not judge performance based on whether suggested business improvements have been implemented or not.

B. Determining when a mid-term review is needed

Is a mid-term review needed (COP only)?

If you are auditing conformance against the COP, an important part of your consideration of next steps will be determining whether or not the RJC member needs a mid-term review (on- or off-site) for three year certificate recommendations to provide assurance that it continues to conform to the standard.

You must make your decision using the criteria set out in **Table 14**. Remember that the mid-term review is designed to manage:

- Known and anticipated changes to the member’s certification scope, or to any of its recognised external certifications, that may arise before recertification;
- Facilities that were not assessed in the certification audit or that have risks of non-conformances against critical provisions; and
- Any complaints about the member that have been received by the RJC and require review.

Table 14. Criteria for determining whether and what type of mid-term review is required (applicable to a 3 year COP certification recommendation only)

A MID-TERM REVIEW IS NOT REQUIRED IF ALL OF THE BELOW APPLY	A REMOTE DESKTOP MID-TERM REVIEW IS REQUIRED IF ALL OF THE BELOW APPLY*	AN ON-SITE MID-TERM REVIEW IS REQUIRED IF ANY OF THE BELOW APPLY
<ul style="list-style-type: none"> • Up to three minor non-conformances are raised. • No known or anticipated changes to the certification scope will arise before recertification. • The risk of changes to current conformance ratings and management controls is low. • For each ‘recognised’ provision during the certification period, there is: • a third-party certification programme (SA8000, OHSAS 18001 or ISO14001); and • strong internal controls that include a review of management systems and corrective action for non-conformances. 	<ul style="list-style-type: none"> • Four or five minor non-conformances are raised**. • All non-conformances raised by the certification audit can be verified through documentary objective evidence, and there is no need for: <ul style="list-style-type: none"> • employee interviews; • on-site document sampling (i.e. wage or working-hour records); • in-person reviews of health and safety or building changes; or • in-person reviews of confidential documents. • Any anticipated changes to the certification scope will not affect current conformance ratings. 	<ul style="list-style-type: none"> • Six or more minor non-conformances are raised**. • Known and anticipated changes to certification scope will arise before recertification. • A recognised third-party certification programme will stop being supported before recertification. • The lead auditor presents a compelling reason for requesting an on-site review.

* You can also recommend a remote desktop mid-term review based on any other compelling reason presented by your lead auditor.

** Where the member has submitted a corrective action plan with evidence of implementation within one week of the closing meeting that sufficiently addresses the root cause of the non-conformance, these non-conformances must be excluded from the count. See clause 12.4.3.5.

You must document your decision to require (or not) a mid-term review in your audit report. If the RJC member disagrees with your decision, you can ask the RJC for advice. Where necessary, disputes will be resolved through the RJC Complaints Mechanism (see **Section 5**).

Key Points

In all cases, any mid-term review that you recommend must be carried out within 12–24 months of the initial certification audit.

12.3.6 MEET TO CLOSE THE AUDIT

Just as your audit opened with a meeting, so too should it close with one. Use this closing meeting to verbally present your preliminary findings and recommendations to the RJC member's representatives. Also:

- Seek acknowledgement and understanding of your findings, including the certification scope, all non-conformances and corrective action plan (if required).
- Answer any questions about the findings.
- Clear up any misunderstandings or differences in opinion, and explain the process for reporting disputes and raising complaints with your firm and the RJC.
- Provide an overview of the follow-up steps.
- Confirm whether or not a mid-term review will be required (COP and applicable to a 3 year certification only).
- State that you will provide a more detailed report at a later date, documenting your overall findings, and explain that you will also submit a report and statement of conformance to the RJC.

Again, record the job titles of all meeting participants, the agenda of the meeting and brief notes of the discussion.

12.4 PHASE III: REPORT

12.4.1 APPROVE CORRECTIVE ACTION PLAN

If you found any non-conformances in your audit, the RJC member will have one month to propose appropriate corrective actions, document these in a corrective action plan and submit the plan to your lead auditor for approval.

Remember that the entire turnaround process for audit reports to be finalised and submitted to RJC must be within two months of the closing meeting. Refer to **Section 12.4.4** for further details.

Before approving a corrective action plan, you must verify that the proposed actions will effectively address the root cause of the non-conformance (and so prevent it from happening again). You must also make sure that each proposed corrective action is:

- Realistic;
- Fit for purpose; and
- Wherever possible, completed before the next audit.

Key Points

If the action needed to treat root causes will take longer than one year to complete, make sure that the member is establishing interim short-term corrective actions that will effectively mitigate the effects of the non-conformance finding until the longer-lasting solution can be implemented.

Note that if a conflict or dispute arises about the approval of a corrective action plan, the RJC Management Team may enter into discussions about the nature and timing of corrective action.

12.4.2 MAKE A STATEMENT OF CONFORMANCE

After evaluating your audit findings and reviewing any corrective action plan, the lead auditor must complete the statement of conformance in the RJC audit report template (see www.responsiblejewellery.com/auditors/auditor-training/)

It should clearly state the company's level of conformance with the RJC standard and the type of certification for which it is eligible (or not).

When making a statement of conformance, your lead auditor must consider:

- The effectiveness of the company's business practices and controls in meeting the provisions of the RJC standard at hand;
- The number and severity of the individual non-conformances found during your audit;
- Any positive improvements since the last audit (where applicable) in performance, and major achievements and milestones that relate to the RJC standard; and
- The member's demonstrable commitment to continual improvement.

12.4.3 SUBMIT AN AUDIT REPORT

12.4.3.1 You must use the RJC audit report template to write your report (available at www.responsiblejewellery.com/auditors/auditor-training/ or on request from certification@responsiblejewellery.com).

12.4.3.2 Every section of the template must be completed and used to provide a detailed account of the audit, listing the areas that you found to be satisfactory and those that you found to be in non-conformance with provisions of the RJC standard.

12.4.3.3 At the end of each audit, the lead auditor is responsible for documenting the findings in the audit report.

12.4.3.4 A copy of the audit findings shall be provided to the member audit during the closing meeting for the findings to be discussed and agreed. The member has one month to complete and submit the corrective action plan for any non-conformances raised.

12.4.3.5 Should the member submit a corrective action plan with evidence of implementation within one week of the closing meeting that sufficiently addresses the root cause of the non-conformance, it must be recorded in the audit report as "closed".

12.4.3.6 Once the corrective action plan has been submitted by the member, this must be incorporated into the audit report, which is then reviewed and approved by the audit firm's appointed technical reviewer for RJC audits.

12.4.3.7 The final audit report and member declaration must be submitted to the member and the RJC within two months of the date of the closing meeting. RJC reserves the right not to clear the audit report submitted without declaration.

References

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ISEAL Alliance, Assessing the Impacts of Social and Environmental Standards Systems: ISEAL Code of Good Practice [Impacts Code] (2014)
www.isealliance.org/sites/default/files/resource/2017-11/ISEAL_Impacts_Code_v2_Dec_2014.pdf

ISO, ISO/IEC 17000:2004 Conformity Assessment—Vocabulary and General Principles (2004)
www.iso.org/standard/29316.html

ISO, ISO/IEC 17011:2017 Conformity Assessment—Requirements for Accreditation Bodies Accrediting Conformity Assessment Bodies (2017)
www.iso.org/standard/67198.html

ISO, ISO/IEC 17021-1:2015 Conformity Assessment—Requirements for Bodies Providing Audit and Certification of Management Systems—Part 1: Requirements (2015)
www.iso.org/standard/61651.html

ISO, ISO 19011:2018 Guidelines for Auditing Management Systems (2018)
www.iso.org/standard/70017.html

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www.sa-intl.org/index.cfm?fuseaction=document.viewDocument&documentid=563&documentFormatId=1166&vDocLinkOrigin=1&CFID=22979020&CFTOKEN=2db102a753d2089b-A258963B-1C23-C8EB-80C2745C596B15C8

Appendices

APPENDIX 1 APPLICABILITY OF RJC STANDARDS BY SECTOR

Tables A1 and A2 list the required, optional and non-applicable provisions of the COP and CoC Standard by sector. This listing is not definitive, and exceptions may occur; in all cases, the certification scope defines which provisions apply.

Table A1. Application of COP provisions by sector

SECTION	COP PROVISIONS	COP DETAILED PROVISIONS	MINERS	REFINERS	RETAILERS, TRADERS, MANUFACTURERS	SERVICE PROVIDER	
General requirements	1. Legal compliance				Required		
	2. Policy and implementation				Required		
	3. Reporting	3.1			Required		
		3.2		Required		Not applicable	
4. Financial accounts				Required			
Responsible supply chains, human rights and due diligence	5. Business partners				Required		
	6. Human rights				Required		
	7. Due diligence for responsible sourcing from conflict-affected and high-risk areas	7.1			Required		Not applicable
		7.2			Required		Not applicable
		7.3		Not applicable	Required		Not applicable
	8. Sourcing directly from artisanal and small-scale mining				If applicable		
	9. Sourcing post-consumer industrial precious metals directly from informal recyclers				If applicable		
	10. Community development				Required		
	11. Bribery and facilitation payments	11.1, 11.2			Required		
		11.3			If applicable		
	12. Know Your Counterparty: money laundering and finance of terrorism				Required		Not applicable
	13. Security	13.1, 13.2			Required		
		13.3		Required		Not applicable	
		13.4			Not applicable		If applicable
14. Provenance claims	14.1			Required			
	14.2, 14.3			If applicable			

SECTION	COP PROVISIONS	COP DETAILED PROVISIONS	MINERS	REFINERS	RETAILERS, TRADERS, MANUFACTURERS	SERVICE PROVIDER
Labour rights and working conditions	15. General employment terms				Required	
	16. Working hours	16.1			Required	
		16.2			If applicable	
		16.3, 16.4, 16.5			Required	
	17. Remuneration				Required	
	18. Harassment, discipline, grievance procedures and non-retaliation	18.1, 18.3, 18.4, 18.5			Required	
		18.2			If applicable	
	19. Child labour	19.1			Required	
		19.2			Required	
		19.3			If applicable	
	20. Forced labour				Required	
	21. Freedom of association and collective bargaining	21.1			Required	
		22.2			Required	
23.3				If applicable		
22. Non-discrimination				Required		
Health, safety and environment	23. Health and safety	23.1 to 23.9			Required	
		23.10	Not applicable		If applicable	
	24. Environmental management				Required	
	25. Hazardous substances				Required	
	26. Wastes and emissions				Required	
	27. Use of natural resources	27.1, 27.2, 27.3			Required	
27.4		Required		Not applicable		
Diamond, gold and platinum group metal products	28. Product disclosure	28.1, 28.2			Required	
		28.3			If applicable	
	29. Kimberley Process Certification Scheme and World Diamond Council System of Warranties				If applicable	
	30. Grading, analysis and appraisal				If applicable	
Responsible mining	31. Extractive Industries Transparency Initiative		Required		Not applicable	
	32. Stakeholder engagement		Required		Not applicable	
	33. Indigenous peoples and free, prior and informed consent		If applicable		Not applicable	
	34. Impact assessment		Required		Not applicable	
	35. Artisanal and small-scale mining and large-scale mining		If applicable		Not applicable	
	36. Resettlement		If applicable		Not applicable	
	37. Emergency response		Required		Not applicable	
	38. Biodiversity		Required		Not applicable	
	39. Tailings and waste rock		Required		Not applicable	
	40. Cyanide		If applicable		Not applicable	
	41. Mercury		If applicable		Not applicable	
	42. Mine rehabilitation and closure		Required		Not applicable	

Table A2. Application of CoC Standard provisions by sector

	COC STANDARD PROVISIONS	MINERS	REFINERS	RETAILERS, TRADERS, MANUFACTURERS
Due diligence and Know Your Counterparty for responsible sourcing	1. Due diligence	Required		
	2. Know Your Counterparty (KYC)	Required		
Chain-of-custody management	3. Management systems and responsibilities	Required		
	4. Internal material controls	Required		
	5. Outsourcing contractors and service companies	If applicable		
Systems to confirm eligibility of material	6. Eligible mined material	Required	If applicable	Not applicable
	7. Eligible recycled material	Not applicable	Required	If applicable
	8. Eligible grandfathered material	Not applicable	If applicable	
Issuing chain-of-custody documentation	9. Eligible material declarations	Required		If applicable
	10. CoC transfer documents	Required		
	11. Product claims and intellectual property	If applicable		

APPENDIX 2 CORRECTIVE ACTION PLAN TEMPLATE

Table A3 offers a template for documenting corrective actions. A similar template is also available in the RJC’s self-assessment workbook (COP) and toolkit (CoC Standard).

Table A3. Corrective action plan template

REFERENCE (TO A FINDING, RISK, TOPIC, ETC.)	ROOT CAUSE	ACTION	RESPONSIBILITY	DUE DATE	STATUS (OPEN/ CLOSED)	REVIEW DATE	COMPLETION (SIGNED AND DATED)	EFFECTIVENESS VERIFICATION AND SIGN-OFF	COMMENTS

APPENDIX 3 EXAMPLES OF RECORDS AND DOCUMENTARY EVIDENCE

Auditors can use many different sources of information to help them verify conformance with the relevant RJC standard.

A list of relevant documentation that auditors may ask to review is included below.

In most cases, auditors will ask to see documents dating back 12 months from the time of audit; **bold** items are likely to be reviewed over the previous 36 months or in some cases even longer. In all cases, it is the lead auditor who decides how far back the audit team needs to consider.

Note that auditors may want to take photographs of documents as evidence of verifying conformance/non-conformance.

If they do, they must ask permission from the RJC member or entity being audited and document it in their audit report.

- General documentation
 - Site plans and map of surrounding area
 - Plant layout and description of operations
 - Stormwater and sewer plans
 - Underground tanks and piping plans and records
 - Waste disposal sites (current and disused)
 - **Site contamination study reports**
 - Site history documentation
 - **Leases and titles**
 - Safety data sheets
 - Operating licences and permits
 - **Prosecutions and penalties**
 - **Aerial photographs**
- Product and process information
 - Process description
 - Process flow diagrams (PFDs)
 - Equipment lists
 - Piping and instrumentation diagrams (P&IDs)
 - Operating procedures
 - Raw material, product and packaging lists
 - Production records
 - Energy types used
 - Inventory records and stock checks
 - Monitoring records
- Management information
 - Policies and procedures
 - Organisation charts and job descriptions
 - Management improvement plans
 - **Complaints and incidents**
 - **Abatement notices**
 - **Accidents, spills and emergencies**
 - Insurance and waste disposal costs

- Employee documentation
 - Employment contracts/terms and conditions of employment
 - **Employee files (including employment application, discipline letters, etc.)**
 - Employee handbooks
 - Proof of age documents (copies of identification cards, birth certificates, medical clearance, etc.)
 - Employee benefits
- Facility policies and procedures
 - Internal operating policies and procedures
 - Business licences
 - Maintenance and health licence
 - Wage and working-hour policies
 - Employment at-will policy
 - Anti-discrimination policy
 - Employee/management grievance policy
 - Freedom of association policy
 - Any other government licence, certificate of operation, etc.
- Payroll documents
 - Payroll records for peak and non-peak seasons
 - Time records
 - Piece-rate records
 - Payroll registers
 - Payroll stubs
 - Support for overtime calculations
 - Special labour waivers such as the overtime extension waiver
- General safety, health and environment
 - **Notices from regulatory agency inspections**
 - Correspondence with regulatory agencies
 - Training records (sign-in sheets, agendas, training materials)
 - **Committee records (agendas, meeting minutes, activity logs)**
 - Inspection records (fire extinguisher, eyewash/shower, etc.)
 - Hazard Identification (HAZID) and Hazard and Operability (HAZOP) studies
 - Life-cycle assessments
 - Community-related initiatives such as regular meetings and stakeholder participation programmes
- Environment
 - Air emission permits and monitoring records
 - Reports of analysis of drinking water
 - Piping diagrams/as-built diagrams for wastewater and air emissions
 - Wastewater discharge monitoring reports
 - Wastewater discharge permits
 - Inventory of polychlorinated biphenyl (PCB)-containing equipment
 - Registration or permits for PCB-containing equipment
 - Asbestos survey/inventory and sampling results
 - Asbestos operations and maintenance plan
 - Hazardous waste manifests or shipping papers
 - Waste profiles/test results/waste analyses
 - Waste information (types and sources, composition, quantities, transfers, storage, treatment methods, destination/disposal, waste reduction and recycling programmes)

- Health and safety
 - Accident investigation forms
 - **Accident or injury reports**
 - Chemical inventory
 - Records of industrial hygiene monitoring (exposure to chemicals, noise, temperature and measurements of ventilation)
 - Job/task hazard assessments/determinations
 - List of required/approved personal protective equipment
 - Respirator-fit testing records
 - Emergency response plan including map with evacuation and muster locations
 - Testing, inspection and maintenance records for fixed and portable fire suppression equipment

APPENDIX 4 SAMPLING TECHNIQUES

The process of collecting objective evidence involves examining a selection of documents and records, interviewing a selection of personnel and observing a selection of key functions of the RJC member's business practices.

In all cases, when collecting evidence it is essential to consider how one selects what to review, that is the sampling methods and sample sizes. The size of the sample, particularly in relation to the total population, will naturally influence the confidence in the assessment results. Sampling should be carried out to access just enough evidence to verify that systems and processes are in place and are effective.

In principle, enough information has been gathered if:

- The performance and management system is well understood;
- Personnel performing key functions and tasks as they relate to the audit have been interviewed; and
- There is sufficient evidence to identify the probable root cause of a non-conformance.

To help ensure an appropriate sample, auditors are encouraged to follow six steps:

1. **Determine and review the objective of the audit criteria at hand.** What is it you are looking at? Is it overall compliance about a routine activity, in which case you may have to look at lots of records (e.g. monitoring results or invoices), or is it a simple requirement to have something in place that is a policy or the need for a risk assessment?
2. **Identify the overall size (total population) of available information.** How many records, employees, etc. in total are available for review? And what is relevant to the part you are auditing?
3. **Select a sampling method.** Will you use a judgemental or statistical approach?
4. **Determine an appropriate sample size.** How many items do you need to review given the total population, objective and other practical considerations such as time?
5. **Do the sampling.**
6. **Document the results.** Have you recorded what you saw, as well as the methodology, rationale and sample quantity relative to the population?

Sampling methods

Auditors typically use one of two broad types of sampling: judgemental or probabilistic methods.

Judgemental sampling can be used when the auditor suspects that a problem exists and wants to get objective evidence to confirm or refute this suspicion. It involves leaning the sample towards a particular subset of the overall population. For example, if auditors discover that a new business partner has been recently commissioned, they may decide to focus their sampling activities on this new partner to establish whether the RJC member has conducted appropriate due diligence and risk assessment.

Probabilistic sampling is the more commonly used method and is used to ensure that the sample represents the entire population under review. There are four types of probabilistic sampling:

- **Random sampling** is the most widely used method and gives all parts of the population an equal

chance of being selected. In random sampling, at least 25 per cent of the sample should be selected at random. It is important that the sample must be selected by the auditor, not the auditee.

- **Block sampling** aims to draw conclusions about a population by examining randomly selected segments or clusters of it. It is good for cases when the population is so large that a purely random sample would be too time-consuming. For example, if a company is monitoring air emissions twice a day, five days a week, rather than choose a random sample from the past 12 months of data (around 480 test results), the auditor may choose to review all records generated on Wednesdays for January, April, July and October.
- **Stratification sampling** is useful if the size or characteristics of the population vary widely. Similar to block sampling, it breaks up the population into groups or subsets to focus sampling (such as day shift/night shift, full-time employees/casual employees, high volume/low volume, etc.). For example, an auditor may discover that information about labour rates and deductions tends to be less formal during busy periods of production and so chooses to focus sampling during these busy periods.
- **Interval sampling** selects samples at specific intervals, for example every nth item of the population. To ensure every item has an equal chance of being chosen, the first item must be picked at random. The sampling interval is normally determined by dividing the total population by the desired sample size. For example, if an auditor wants to verify whether the weekly workplace inspections have been carried out over the past 12 months, she could decide to review 10-weekly inspection reports from the past year, which would set the sampling interval at five, and randomly pick week three to begin.

Sample sizes are similarly determined either statistically or on the basis of the auditor’s professional judgement. Judgemental methods are more commonly used in management system auditing (unlike in financial auditing where statistical methods are usually more relevant).

Sampling interviewees

The number and type of employee interviews is established by the lead auditor and must include a representative sample of employees and departments in the RJC member’s facility, including indirectly employed workers.

Table A4 identifies the recommended sample sizes for auditors to use when deciding how many group and individual interviews to conduct at each site. Auditors will use their discretion and consider factors such as industry, location and the compliance history when defining the number of employees to interview and group sizes. If, however, the auditors’ choice departs from the figures set out in Table A4, they must detail the reasons why in their audit report to the RJC.

Table A4. Recommended sample sizes and durations for group and individual interviews to be held at each one of the RJC member’s sites (for initial and recertification audits only)

NUMBER OF EMPLOYEES	NUMBER OF INDIVIDUAL INTERVIEWS	GROUP INTERVIEWS	TOTAL EMPLOYEES TO BE INTERVIEWED	EFFECTIVE TIME SPENT ON INTERVIEWS (HOURS)
1–10	*	*	*	*
11–25	2	1 group of 3	5	1
26–100	6	1 group of 4	10	2.5
101–500	8	3 groups of 4	26	5
501–1,000	12	6 groups of 4	42	8.5
1,001–2,000	20	8 groups of 4	52	12.5
2,000+	20	8 groups of 5	60	14

*As determined appropriate by the lead auditor.

If the RJC member’s facility has more than 2,000 employees, the lead auditor will decide the number of individual and group interviews to be held, in agreement with the RJC member. Note that the minimum number of employees to be interviewed in this case is 60.

The employees that participate in the interviews shall be included in the sample of employee records that are checked by the auditor. Any additional records can be sampled from the remaining employees, including indirectly employed workers.

For mid-term reviews, it is up to the lead auditor to decide the number and type of employees to be interviewed, considering factors such as the type of non-conformances to be reviewed, and overall compliance history, and complaints raised by employees or reported to the RJC. In cases where new facilities need to be visited, the lead auditor shall apply the sampling guidance in Table A4.

Specific sampling requirements for COP 7 (Due diligence for responsible sourcing from conflict-affected and high-risk areas)

When sampling material transactions for COP provision 7 (on due diligence), auditors must establish from the applicable period of records and documentary evidence what transactions have originated from low-and high-risk areas as per the RJC member’s or entity’s implementation of Step 2 of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

For low-risk transactions of gold, silver, PGM, diamonds and coloured gemstones, auditors can choose a representative selection of material transactions to sample. But for high-risk transactions, auditors must review 100 per cent of transactions received within the audit period.

In cases where sampling is allowed (i.e. for low-risk transactions), auditors must review the type, size and complexity of the RJC member’s operations to determine whether they can use the simple or complex sampling plan in Table A5. In making their decision, auditors should consider:

- The total number of transactions received during the audit period;
- The proportion of gold, silver, PGM, diamonds and coloured gemstones;
- The number of active suppliers during the audit period, and the volume of material supplied;
- The number of different low-risk countries of origin;
- Any anomalies observed in the review of transactions; and
- Any other criteria they deem important.

Regardless of the type of sampling used for low-risk transactions, it is up to the auditor to determine the final sample size. Table A5 offers some broad guidelines for sample size, but their use is not mandatory. The sample size may be increased if the auditor detects inconsistencies or discrepancies in the documentation provided for review or if there is evidence pointing to the falsification or manipulation of documents. If during the audit the auditor feels the need to increase the sample size, the auditor shall provide the reason for this (as well as the applied sampling approach) in the audit report.

Table A5. Recommended sample sizes for simple and complex sampling plans

NUMBER OF LOW-RISK TRANSACTIONS	SIMPLE SAMPLING PLAN	COMPLEX SAMPLING PLAN
1–100	10	10
101–250	11–15	11–20
251–500	16–20	21–30
501–1,000	21–25	31–45
1,001–5,000	25–30	46–100
Over 5,001	31–50	101–250

Conducting sampling

To reduce any chance of bias, it is important that the auditor, not the auditee, selects the sample.

Care must also be taken to ensure that the right population is being sampled. For example, if auditors want to verify that contractors have received induction training, they should sample the list of all contractors, rather than sampling training records, which by definition would only include those contractors who have been trained.

7. Responsible Minerals Initiative, Responsible Minerals Assurance Process, Gold Refiner Standard, Annex III: Sampling Guidance (2017) www.responsiblemineralsinitiative.org/standards-development/audit-standards/

Documenting results

Where sampling has been used in an audit, auditors are required to record information about the methods used in the RJC audit report template. In particular, they must record the:

- Objective of the process being audited;
- Population under review;
- Type of sampling method employed and reasons why;
- Sample size selected and reasons why; and
- Results of the sample.

APPENDIX 5 GUIDELINES FOR AUDITORS: CONDUCTING EFFECTIVE AUDITS

Communication and interpretive skills

Audits, and by association auditors, are often viewed by auditees as threatening. Find common ground early in the conduct of an audit. The best way to relax people is to get them talking. People usually like to talk about themselves and what interests them.

Perception, interpretation and meaning all influence the audit process. A message or statement simply being misheard or misread can impact and confuse audit findings. Unless you take time to clarify and verify findings, there is potential for inaccurate results.

Effective questioning

Interviews are an important means of collecting information and should be adapted to the situation and the person being interviewed, either face-to-face or via other means of communication. During the interview, there are a number of questioning techniques that you can use to open discussions, accumulate data, promote involvement, determine understanding and keep discussions on track. These include:

- Open questions: used to get the auditee talking.
- Probing questions: used to uncover core issues.
- Challenging questions: used when answers contradict your understanding—they can counteract generalisations, exaggerations or dismissive behaviour.
- Reflecting questions: used to test understanding.
- Closed questions: used to direct, keep on track and check facts.

In all cases, to be effective in your questioning:

- Use an open and friendly approach.
- Be aware of your own body language.
- Ask lots of open questions, such as 'Explain to me...'; 'Tell me more about...'.
'
- Use closed questions sparingly.

When conducting interviews, consider:

- Who to interview? Interviews should be held with persons from appropriate levels and functions performing activities or tasks within the audit scope (see **Appendix 4** for information on how to sample interviewees). Interviews may be initiated by asking the persons to describe their work.
- When to interview? Interviews should normally be held during normal working hours and, where practical, at the normal workplace of the person being interviewed.
- Where to interview? RJC members should make quiet meeting rooms available for interviews. However, some interviews may be conducted in an open place.
- How many people to interview at once? Individual and group interviews may be conducted.
- What language to use? If you speak a different language to your interviewees, you should use a translator. In cases where you do not speak the local native language, the translator must be on-site and present during your interviews. For any other languages that require interpreter help, your translator can join remotely. Translators shall be free from any conflict of interest and selected by the auditor.
- Which questions to ask? There should be a carefully considered mix of questions used (e.g. open, closed, probing questions). You might choose to start the interview by asking the person to describe their work.

In addition, make sure that you:

- Maintain confidentiality. Conduct all interviews in a confidential manner, without the presence of management.
- Put the interviewee at ease. Explain the reason for the interview and make sure that interviewees know they will not be reprimanded for their responses. Tell the interviewees why you may ask them

to describe or demonstrate how they carry out their day-to-day duties (i.e. to enable you to observe practices and verify other testimonial or documented statements).

- Review results. The results from the interview should be summarised and reviewed with the interviewee.
- Thank the interviewee. The interviewed persons should be thanked for their participation and co-operation.

Note that while participation in interviews is to be encouraged, it must be both voluntary and free from interference. You cannot force someone to be interviewed, and managers cannot stop a willing interviewee from being questioned. You may note situations where someone has refused to be interviewed.

Finally, to comply with General Data Protection Regulation (GDPR) requirements, you must not include any names of interviewees in your report. Findings based on objective evidence gathered during interviews should similarly ensure the interviewee's identity remains anonymous.

Effective listening

Communication is a two-way process and you must listen as well as speak. Listening involves more than simply hearing what has been said. To ensure you are listening effectively:

- Stop talking.
- Show the auditee you want to listen.
- Be aware of distractions.
- Listen with empathy.
- Pause before you respond to the auditee.
- Make sure you understand by paraphrasing.
- Take notes openly.
- Be patient, do not interrupt.

Listening is an active process that is enhanced by summarising what the auditee has said and then repeating it back.

Effective observation

The more familiar you are with a subject, the less observant or careful you might be in reviewing it. This is why most accidents happen near or at home. It is important that you do not become complacent or allow preconceived ideas and assumptions to influence your observations.

Always verify your understanding of what you have observed: all observations must be substantiated with objective evidence.

General auditing tips

To help make your audit as transparent and effective as possible:

- Take notes openly.
- Involve and communicate with the RJC member you are auditing.
- Lay your procedures open: it's not an examination.
- Don't set people up.
- Focus on results of activities: remember the system must not only exist but be effective.
- Keep good follow-up notes.
- Use terms like 'show me', 'can I see' to lead you to audit evidence.
- Avoid behaviour that polarises you from your auditees.
- Avoid using words like 'why', 'you', 'but' and absolutes such as 'always' or 'never'.
- Don't nitpick: put findings in perspective.
- Don't criticise.
- Don't force your preconceived ideas on auditees.
- Use a phrase like 'is there any reason...' to ensure the validity of your audit findings.
- Discuss problems with the RJC member as you find them: don't wait until the closing meeting.
- Move around and make sure you talk to people.
- Focus on the macro first, then the micro.



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