



*Responsible Jewellery Council*

# ASSESSMENT MANUAL

NOVEMBER 2013

# THE RESPONSIBLE JEWELLERY COUNCIL

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

*Our vision is a responsible world-wide supply chain that promotes trust in the global fine jewellery and watch industry.*

## ABOUT THIS MANUAL

The RJC Assessment Manual contains instructions for Members and Auditors on how to conduct assessments to establish conformance with the RJC Standards. It is applicable to all RJC Members throughout the Diamond, Gold and Platinum Group Metals jewellery supply chain.

This is a 'living document' and the RJC reserves the right to revise this Manual based on implementation experience and emerging good practice. The version posted on the RJC website supersedes all other versions. To verify this document is current, please visit: [www.responsiblejewellery.com](http://www.responsiblejewellery.com)

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## INQUIRIES OR FEEDBACK

The RJC welcomes inquiries and feedback on this Standard:

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Contacts: [www.responsiblejewellery.com/contact-us](http://www.responsiblejewellery.com/contact-us)

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# I INTRODUCTION

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

## I.1 *Background*

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Through its certification programs, the RJC develops standards for the diamond, gold and platinum group metals jewellery supply chain. Businesses that join the RJC must have their conformance with the applicable standards verified through third party auditing.

Currently, RJC certification can be obtained under the RJC Code of Practices and also the RJC Chain of Custody Standard.

- Members must achieve Certification to the RJC Code of Practices within two years of joining the RJC.
- Certification to the RJC Chain of Custody Standard is voluntary for Members and can be sought either by entire Members or by individual Entities under their control.

## I.2 *Purpose*

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The purpose of the Assessment Manual (the Manual) is to provide guidance on the assessment procedures supporting RJC Certification. Specifically, this manual gives instruction and guidance on:

- The process for achieving RJC Certification
- How a Member performs a Self Assessment
- How auditors conduct independent third party Audits
- The principles for conducting effective assessments so as to drive continual improvement.

## I.3 *Who should use this Manual?*

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This Manual should be used by all RJC Members and RJC Accredited Auditors when carrying out activities and responsibilities associated with RJC Certification.

## I.4 *Terms and Definitions*

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All capitalised common terms and acronyms are defined in the Glossaries contained in the Code of Practices and in the Chain of Custody Standard.

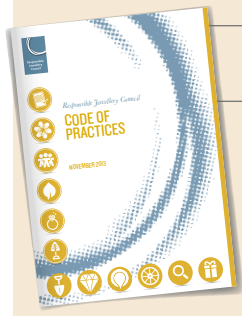

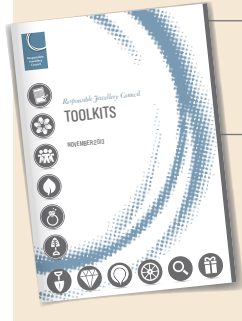
In this Manual, "COP" is the abbreviation to denote the RJC Code of Practices, and "CoC" is the abbreviation to denote the RJC Chain of Custody Standard.



## 1.5 Supporting documents and references

The following documents provide additional supporting information to assist with implementing and achieving certification to the RJC Standards:

### RJC CODE OF PRACTICES:

	<b>RJC CODE OF PRACTICES (S001_2013)</b>  The verifiable requirements which businesses need to meet to achieve Code of Practices Certification		<b>STANDARDS GUIDANCE (G002_2013)</b>  Guidance on each of the provisions in the Code of Practices;
	<b>COP ASSESSMENT WORKBOOK (T006_2013)</b>  Assessment questions, instructions, examples of objective evidence for use by Members and Auditors	<b>RISK ASSESSMENT TOOLKIT (T010_2013)</b>  Guidance and framework to support the conduct of risk assessments required by the Code of Practice	<b>HUMAN RIGHTS DUE DILIGENCE TOOLKIT (T011_2013)</b>  Guidance and framework to support the conduct of a Human Rights Due Diligence assessments required by the Code of Practice.

**Transition from 2009 to 2013 Code of Practices:** The 2013 Code of Practices will replace the 2009 Code of Practices after a transition period of 1 year during which both versions will be accepted for RJC certification. Members' current certifications against the 2009 Code of Practices will still be effective for the remainder of their certification period and re-certification using the procedures outlined in this Manual will not be required until the expiry of the period. For more information see Section D of the 2013 Code of Practices.

### RJC CHAIN OF CUSTODY STANDARD:

COC STANDARD (S002_2012)	COC STANDARDS GUIDANCE (G004_2012)	COC ASSESSMENT TOOLKIT (T007_2012)	COC OUTSOURCING CONTRACTOR ASSESSMENT FORM (T008_2012)
The verifiable requirements which businesses need to meet to achieve CoC certification	Further guidance for businesses on how to implement the CoC standard	CoC Assessment questions, instructions examples of objective evidence for use by Members and auditors	CoC Assessment questions specifically for CoC Outsourcing Contractors.

### OTHER RJC DOCUMENTATION:

- RJC Complaints Mechanism (T007\_2012)
- RJC logo rules.

## 2 ROLES AND RESPONSIBILITIES

**Find out: The key roles and responsibilities for the RJC, Members and Accredited Auditors in the Certification process.**

**The RJC, its Members and Accredited Auditors all play distinct roles in the Certification process. In summary:**

- The RJC is responsible for the design of the RJC Standards and the governance and operation of the RJC certification processes.
- Members are responsible for operating their businesses in conformance with the Code of Practice (mandatory) and the Chain of Custody Standard (voluntary).
- Accredited Auditors are responsible for verifying whether a Member's systems are in conformance with the RJC Standard being assessed and providing a Statement of Conformance.

### 2.1 *RJC*

**The RJC's role includes to:**

- Review and update the RJC Standards for currency, relevance and to address the needs of its Members and stakeholders
- Support and oversee the quality, integrity and credibility of the certification processes
- Accredite third party auditors to conduct Certification Audits
- Provide Member and Auditor training and support
- Certify Members as conforming to the RJC Standards and maintaining up-to-date information on the RJC website
- Administer the RJC Complaints Mechanism, including disciplinary proceedings where required
- Publicly report on the impact that RJC certification programs have in meeting the RJC mission
- Build awareness of the RJC value proposition through engagement with industry and other stakeholders.

Note that the RJC will not act as Auditors or undertake Certification of Members in its own right.

### 2.2 *RJC Members*

**Members' roles include to:**

- Operate their business, Entities and Facilities within the Certification Scope in accordance with the requirements specified in the RJC Standards
- Dedicate internal resources to maintain conformance with the requirements specified in the RJC Standards
- Communicate and train personnel about the RJC Standards and their own systems and controls to meet these Standards
- Engage an Accredited Auditor to conduct their Certification Audits
- Provide Auditors access to Facilities, personnel and relevant information and records, and ensure Auditors are aware of any health and safety, security or other requirements
- Implement corrective action or improvement plans, as appropriate, to achieve conformance and continual improvement
- Promote responsible business practices within the supply chain.

Note that a Member must fulfil these roles to maintain their status as a Member in good standing in the RJC.

## 2.3 *Auditors*

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### **The Auditors' role includes to:**

- Conduct the Certification Audit and Periodic Reviews against the relevant RJC Standard
- Identify non-conformances which require corrective actions
- Recognise when audit objectives are unattainable and report the reasons to the Member and the RJC
- Prepare Audit reports including a Statement of Conformance for the Member and the RJC
- Carry out follow-up reviews of progress against milestones, if required.

Note that the Auditors' legal relationship is with the Member that has engaged them for the Audit, not with the RJC. The Auditors who carry out independent third party audits for a Member cannot advise or assist in that Member's Self Assessment, as this would be a conflict of interest.

Auditors must be accredited by the RJC to carry out Certification Audits and Periodic Reviews.

For more details about how to become an RJC Accredited Auditor, refer to the RJC website:

[www.responsiblejewellery.com/auditors/become-an-auditor](http://www.responsiblejewellery.com/auditors/become-an-auditor)  
or email [accreditation@responsiblejewellery.com](mailto:accreditation@responsiblejewellery.com)

# 3 RJC STANDARDS AND THE CERTIFICATION PROCESS

**Find out:** About the main features of the RJC Code of Practices and the RJC Chain-of-Custody standards, and the process for achieving and maintaining certification.

## 3.1 *RJC Standards*

The RJC has two complementary standards for the jewellery supply chain and Table 1 summarises key aspects of the two RJC certification programs: RJC Code of Practices Certification and RJC Chain-of-Custody Certification.

**TABLE 1: COMPARISON OF RJC'S STANDARDS AND ASSURANCE PROGRAMS**

Features	RJC Code of Practices Certification	RJC Chain-of-Custody (CoC) Certification
<b>Voluntary?</b>	RJC Membership is voluntary.  RJC Commercial Members must achieve Certification against the Code of Practices within 2 years, as a condition of membership.	Participation by RJC Members is voluntary and is not a requirement of RJC Membership.  Entities seeking RJC CoC Certification must be RJC Members, or under the Control of an RJC Member, so that the Code of Practices also applies.
<b>Applicable Standard</b>	RJC Code of Practices.  Published 2013, see: <a href="http://www.responsiblejewellery.com">www.responsiblejewellery.com</a>	RJC Chain-of-Custody Standard.  Published 2012, see: <a href="http://www.responsiblejewellery.com">www.responsiblejewellery.com</a>
<b>Guidance for Implementation</b>	RJC Certification Handbook, Standards Guidance, Assessment Workbook and Manual.  Published 2013, see: <a href="http://www.responsiblejewellery.com">www.responsiblejewellery.com</a>	RJC Chain-of-Custody Certification Handbook, Assessment Toolkit.  Published 2012, see: <a href="http://www.responsiblejewellery.com">www.responsiblejewellery.com</a>
<b>Requirement for third-party auditing</b>	Certification Audit followed by Mid-Term Review. Re-certification is after 3 years.  Where Major Non-Conformances are found, Certification Period is valid only for 1 year and these Members are expected to transition to full 3 year certification status.	Certification Audit followed by Surveillance Audit within 12-18 months if no Major Non-Conformances. Re-certification every 3 years.
<b>Resulting Claim</b>	RJC Certified Member: Member conforms with the RJC Code of Practices, the RJC's standard for responsible business practices.	RJC Chain-of-Custody Certified Member/Entity: CoC Certified Entity has verified systems in place for custody and/or supply of responsibly sourced Jewellery Materials.  Chain-of-Custody Material: Material comes from responsible sources in accordance with the RJC CoC Standard.

**RJC Role –  
common to  
both programs**

- Standards development, guidance and training.
- Auditor accreditation and training.
- Administration of Accredited Auditor reports for Certification.
- Maintenance of public website on Certification status and related information.
- Administration of policies and rules for use of RJC logo.
- Complaints mechanism.
- Governance of Members, including disciplinary proceedings if required.

## 3.2 *Harmonisation and Recognition of Existing Certifications*

The RJC's Standards are designed to harmonise with other standards and initiatives wherever possible. Auditors are required to place a high value on existing Certifications under systems which have equivalent requirements to Provisions in the RJC Standards when setting conducting a Self Assessment or an independent third party Audit.

The following table (Table 2) summarises current relevant initiatives which share common issues and subjects with the RJC Standards. Where equivalency has been determined, the common Provisions can be assessed as conformant without additional review.

**TABLE 2: RECOGNITION OF EXISTING CERTIFICATIONS**

RJC Standard	Related External Standard or Initiative	Implications for the Self Assessment or Audit
<b>Code of Practice</b>	SA 8000:2008	<p>The Member/Facility will not need to be audited against the following COP provisions if SA8000 certified.</p> <ul style="list-style-type: none"> <li>• 13. General Employment Terms</li> <li>• 14. Working Hours</li> <li>• 15. Remuneration</li> <li>• 16. Discipline and Grievance Procedures</li> <li>• 17. Child Labour</li> <li>• 18. Forced Labour</li> <li>• 19. Freedom of Association and Collective Bargaining</li> <li>• 20. Discrimination</li> <li>• 21. Health and Safety Provisions 21.1, 21.2a, 21.2b, 21.2c, 21.3, 21.5, 21.6, and 21.9</li> </ul> <p>In cases where SA8000 certification applies to less than all Facilities of a Member, these provisions will still need to be audited at other Facilities within the RJC Certification Scope.</p>

RJC Standard	Related External Standard or Initiative	Implications for the Self Assessment or Audit
	ISO 14001: 2004	<p>The Member/Facility will not need to be audited against the following COP provisions if ISO 14001 certified.</p> <ul style="list-style-type: none"> <li>• 22 Environmental Management</li> </ul> <p>The following additional Provisions will not be audited if the RJC Accredited Auditor can verify that the Member's current ISO 14001 certification report addresses these areas:</p> <ul style="list-style-type: none"> <li>• 23 Hazardous Substances Provisions 23.1 and 23.3</li> <li>• 24 Waste and Emissions Provisions 24.1, 24.2a, 24.2b and 24.2d</li> <li>• 25 Use of Natural Resources</li> <li>• 36 Biodiversity Provisions 36.2(a) and 36.2(b)</li> <li>• 39 Mercury</li> </ul> <p>In cases where ISO 14001 certification applies to less than all Facilities of a Member, these provisions will still need to be audited at other Facilities within the RJC Certification Scope.</p>
	OHSAS 18001: 2008	<p>The Member/Facility will not need to be audited against the following COP provisions if OHSAS 18001 certified.</p> <ul style="list-style-type: none"> <li>• 21 Health and Safety Provisions 21.1, 21.3, 21.4, 21.5, 21.8 and 21.9</li> </ul> <p>The following additional Provisions will not be audited if the RJC Accredited Auditor can verify that the Member's current ISO 18001 certification report addresses these areas:</p> <ul style="list-style-type: none"> <li>• 21 Health and Safety Provisions 21.2, 21.6 and 21.7</li> </ul> <p>In cases where OHSAS 18001 certification applies to less than all Facilities of a Member, these provisions will still need to be audited at other Facilities within the RJC Certification Scope.</p>
	Recognised Responsible Mining Standards	<p>A Mining Facility under the Control of a Member will not need to be re-audited where it is already certified against a Recognised Responsible Mining Standard, except in any areas that may be specifically identified by the RJC. RJC will review candidate certification systems under the process developed under the RJC Chain-of-Custody standard for a 'Recognised Responsible Mining Standard'.</p>
<b>Chain of Custody</b>	Conflict-Free Sourcing Initiative (EICC-GeSI) Smelter/Refiner Validation <a href="http://www.eicc.info/extractives.htm">www.eicc.info/extractives.htm</a>	<p>Refiners that are listed on the current EICC Validated Refiners list will have this taken into account for RJC CoC Certification. Specifically, current EICC Validation is considered substantially equivalent to RJC CoC Standard 10 'Conflict-Sensitive Sourcing' and so CoC 10.1, 10.2 and 10.4 will not require auditing for the RJC Certification and/or Surveillance Audit.</p>
	Dubai Multi Commodities Centre (DMCC) Practical Guidance and Review Protocol <a href="http://www.dmcc.ae">http://www.dmcc.ae</a>	<p>RJC CoC Certification can be used to support implementation of the DMCC Practical Guidance and Review Protocol by providing a mechanism for an independent third-party audit of a Refiner's supply chain due diligence. To meet the DMCC's requirement for an annual audit review, Refiners can request 2 Surveillance Audits instead of 1 under the RJC CoC Standard, with a full audit every 3 years as per the CoC Certification period.</p> <p>For DMCC Good Delivery listed Refiners who have already been audited for compliance with the DMCC program, this will be taken into account for RJC CoC Certification. Specifically, a non-RJC audit that meets the requirements of the DMCC program and was carried out within the previous 12 months is considered substantially equivalent to RJC CoC Standard 10 'Conflict-Sensitive Sourcing'. In this case, CoC 10.1, 10.2, and 10.4 will not require re-auditing for the RJC Certification and/or Surveillance Audit.</p>

RJC Standard	Related External Standard or Initiative	Implications for the Self Assessment or Audit
	London Bullion Market Association (LBMA) Responsible Gold Guidance <a href="http://www.lbma.org.uk">www.lbma.org.uk</a>	<p>RJC CoC Certification can be used to support implementation of the LBMA Responsible Gold Guidance by providing a mechanism for an independent third-party audit of a Refiner's supply chain due diligence. To meet the LBMA's requirement for an annual audit review, Refiners can request 2 Surveillance Audits instead of 1 under the RJC CoC Standard, with a full audit every 3 years as per the CoC Certification period.</p> <p>For LBMA Good Delivery listed Refiners who have already been audited for compliance with the LBMA Responsible Gold Guidance, this will be taken into account for RJC CoC Certification. Specifically, a non-RJC audit that meets the requirements of the LBMA Responsible Gold Guidance and was carried out within the previous 12 months is considered substantially equivalent to RJC CoC Standard 10 'Conflict-Sensitive Sourcing'. In this case, CoC 10.1, 10.2, and 10.4 will not require re-auditing for the RJC Certification and/or Surveillance Audit.</p>
	World Gold Council Conflict-Free Gold standard <a href="http://www.gold.org/">http://www.gold.org/</a>	<p>Due diligence carried out by mining companies in accordance with the World Gold Council Conflict-Free Gold Standard can be used as objective evidence for the Due Diligence requirements of the RJC CoC Standard 4.2 under 'Eligible Mined Materials'.</p> <p>Refiners sourcing from mining companies who have implemented the World Gold Council Conflict-Free Gold standard can use this as objective evidence for compliance of that supplier/material with RJC CoC Standard 10.4 under 'Conflict-Sensitive Sourcing'.</p>
	Recognised Responsible Mining Standards	<p>The RJC CoC Standard aims to support RJC Members wishing to source Materials that are the product of responsible mining. The RJC CoC Standard thus provides scope for the RJC to formally recognise comparable mining standards, including for artisanal mining.</p> <p>The RJC undertakes a formal, technical review, in cooperation with the other standard setting organisations to the extent possible, to identify the comparability of the other standard with the RJC Code of Practices. Material from a 'Recognised Responsible Mining Standard' can be tracked under RJC's CoC Standard in combination with other CoC Materials. A list of Recognised Responsible Mining Standards is maintained on the RJC website.</p>

Additional recognitions of equivalency may be added in future, and these will be notified on the RJC website under 'Harmonisation'. If you have a question about an initiative not listed here, please contact the RJC at: [standards@responsiblejewellery.com](mailto:standards@responsiblejewellery.com)

## CHANGES TO RECOGNISED EXTERNAL STANDARDS AND INITIATIVES

If during the Certification Period, a Member no longer supports a recognised scheme or initiative listed in Table 2: Recognition of Existing Certifications, then the excluded Provisions must be included in the scope of the next scheduled RJC Audit.

### 3.3 Overview of the Certification Process

There are five main steps in the RJC Certification process, summarised in Figure 1 - Steps in the RJC Certification Process.



FIGURE 1 - STEPS IN THE RJC CERTIFICATION PROCESS

- 1 SELF ASSESSMENT**

**Step 1 – Self Assessment:** The process begins when the RJC Member carries out a Self Assessment against the applicable Standard (the Code of Practices, or the Chain-of-Custody Standard), in accordance with the Certification Scope. See section 7 for more details.
- 2 CERTIFICATION AUDIT**

**Step 2 – Certification Audit:** The Member then engages an RJC Accredited Auditor, who conducts an independent Certification Audit. The Audit verifies the Member has systems in place that conform to the requirements defined in the applicable RJC Standard. Non-conformances will be noted and the Member will be directed to address them through an appropriate corrective action plan. See section 8 for more details.
- 3 REPORTING**

**Step 3 – Reporting:** The Auditor then provides the RJC with an Audit Report that documents the audit findings, details about corrective actions and a Statement of Conformance. The Member will also receive a version of this report, which may include additional details of specific internal issues related to the findings, along with suggested business improvements where appropriate. See section 8 for more details.
- 4 CERTIFICATION DECISION**

**Step 4 – Certification Decision:** The RJC reviews the Auditor's Report and the Statement of Conformance for completeness and clarity, following up with the Auditor where required. Where all is in order, the RJC can proceed to grant the Member RJC Certification for the applicable Standard. The Certification Period depends on the nature of any non-conformances raised during the Audit and the related corrective actions to address the Non-conformances. Certified Members are allocated a unique RJC Certification number and will be able to promote their certification status. A publicly available list of Certified Members and the details of each certification is maintained on the RJC website. See section 9 for more details.
- 5 PERIODIC REVIEWS**

**Step 5 – Periodic Reviews:** Periodic reviews will be conducted during the certification period, where required, and at the end of the certification period. During the Certification Period, a Mid-Term Review (Code of Practices) or Surveillance Audit (Chain of Custody Standard) may be conducted by the RJC Accredited Auditor to verify that the Certified Member's systems continue to work effectively. At the end of the Certification Period, a Re-Certification Audit is required to renew the Member's Certification. See section 8 for more details.



## 3.4 Audit Types

Table 3 below defines the RJC's Audit Types and describes when these are required, for both the Code of Practices and the Chain of Custody Standard.

**TABLE 3: AUDIT TYPES BY RJC STANDARD**

RJC Standard	Audit Type	Frequency	Requirement
Code of Practices	Certification Audit	Within 2 years of becoming a Member	Mandatory for Membership
	Mid-Term Review	12 – 24 months after Certification is granted	Need for Mid-Term Review determined by RJC auditor at Certification Audit (See criteria in Table 13)
	Re-certification Audit	At end of Certification Period	Mandatory for continuing Membership
Chain of Custody	Certification Audit	No timeframe specified	Voluntary uptake by a Member
	Surveillance Audit	12 – 24 months after Certification is granted	A Surveillance Audit is required during the Certification Period.
	Re-certification Audit	At end of Certification Period	If a Member has chosen to continue with Certification, a Re-certification Audit is required.

## 3.5 Certification Period

Table 4 below defines the Certification Period for the Code of Practices and the Chain of Custody Standard, based on the results of the audit findings.

**TABLE 4: CERTIFICATION PERIOD BY AUDIT FINDINGS, AUDIT TYPE AND RJC STANDARD**

RJC Standard	Audit Type	Minor Non-Conformances only	Any Major Non-Conformances	Any Critical Breaches
RJC Code of Practice (COP)	Initial Certification	3 years	1 year	No Certification
	Mid-Term Review	Continue the 3 year term		Certification is suspended
	Re-Certification	3 years	A further 1 year	No Certification
Chain of Custody (CoC)	Initial Certification	3 years	No Certification	
	Surveillance Audit	Continue the 3 year term	Certification is suspended	
	Re-Certification	A further 3 years	No Certification	

### 3.6 *Transitioning from a Code of Practices 1 Year Certification*

As mentioned above, a Member is issued with 1 year Certification Period is if Major Non-Conformances are identified during a COP Audit. This provides a transition period for Members to develop and implement corrective action. However, Members are expected to use best endeavours to transition to a full 3 Year Certification status as quickly as practicable.

Where this process is initiated by the Member within 6 months of the previous audit, then Auditors can use the findings from the previous audit without having to revisit other areas that were found to be in conformance. However, the following conditions apply:

- The Audit Scope will be similar to that for a Mid-Term Review and must:
  - verify effective closure of the corrective actions for the Major Non-Conformances as well as closure of or progress on corrective actions for any Minor-Non-Conformances, if relevant
  - must assess any changes to the Certification Scope
  - revisit Facilities or COP Provisions if the Risk profile of the Member has increased.
- The resulting Audit Report to the RJC must include:
  - Findings from the previous Audit
  - Details about the completed corrective actions
  - Findings relating to Certification Scope changes or increases in the Members' risk profile
  - An overall Statement of Conformance to support the Member's continued conformance with the RJC Standard as a whole.

#### **CODE OF PRACTICES: CONSECUTIVE 1 YEAR CERTIFICATION PERIODS**

A Member cannot have more than 3 consecutive 1 year Certification Periods. If a fourth consecutive 1 year certification occurs then the Member's COP Certification will be suspended until full Certification can be demonstrated.

## 4 THE CERTIFICATION SCOPE

**Find out: RJC's requirements for Members' Certification Scope and how it is documented for the RJC Code of Practices and RJC Chain-of-Custody Standard.**

### 4.1 *Documenting the Certification Scope*

For all RJC Standards, the Certification Scope must be clearly and accurately documented by the Member to ensure the Self Assessment and Certification Audit is appropriately completed.

To understand RJC's requirements for Members' Certification Scope, make sure you understand the definitions for key terms like Member, Facility and Control.

#### KEY TERMS

A list of current RJC Members is maintained on the RJC website. In RJC Standards documents, the term 'Member' refers specifically to RJC Commercial Members. A Member can be any business that:

- is actively involved for commercial reasons in the Diamond, Gold and/or Platinum Group Metals Jewellery supply chain; and
- is exempt from the role of consultant, advisor or any other similar entity; and
- commits to the prevailing RJC Code of Practices; and
- commits to a Certification Audit by an Auditor against the RJC Code of Practices; and
- undertakes the payment of the annual RJC commercial membership fee;
- The Member may consist of one or more Entities and/or Facilities.

#### **A Facility is a site or premises that is:**

- Under the Control of a Member and
- Actively contributes to the Diamond, Gold and/or Platinum Group Metals Jewellery supply chain.

#### **Control by a Member consists of:**

- Direct or indirect ownership, or Control (alone or pursuant to an agreement with other Members) of 50% or more of the voting equities/rights (or equivalent) of the Controlled business or Facility and/or
- Direct or indirect (including pursuant to an agreement with other Members) power to remove, nominate or appoint at least half of the members of the Board of the directors or management (or equivalent) of the Controlled business or Facility and/or
- Day-to-day or executive management of the Controlled Business Activity or Facility such as by setting workplace standards and enforcing their application or
- Any legally recognised concept of 'Control' analogous to those described in (1) to (2) above in a relevant jurisdiction.

Although the above defines 'Control' in a corporate context, the same principles will apply by analogy to other organisational arrangements, including Franchisees, Licensees and Control by an individual or a family, where applicable.

## 4.2 *Certification Scope for the Code of Practices*

### 4.2.1 COMMERCIAL MEMBERS

The choice of what parts of a business is joined to RJC as a Member and seeks Certification is an individual business decision. However once joined as a Commercial Member (i.e. excluding trade associations), RJC has clear rules that each Member's Certification Scope **must** include all the Facilities that they own or control which contribute to the diamonds, gold and platinum group metals supply chain.

**The Certification Scope for the Code of Practices** must include those Entities, Facilities and Business Activities under the Member's Control that actively contribute to the Diamond, Gold and/or Platinum Group Metals Jewellery supply chain.

**The following sectors are considered to actively contribute to the supply chain:**

- Exploration and Mining
- Diamond Trading, Cutting and Polishing
- Precious Metals Refining, Trading and Hedging
- Jewellery Manufacturing and Wholesaling
- Jewellery Retailing
- Service Industries, including grading, assaying, appraising, secure transport providers, and others.

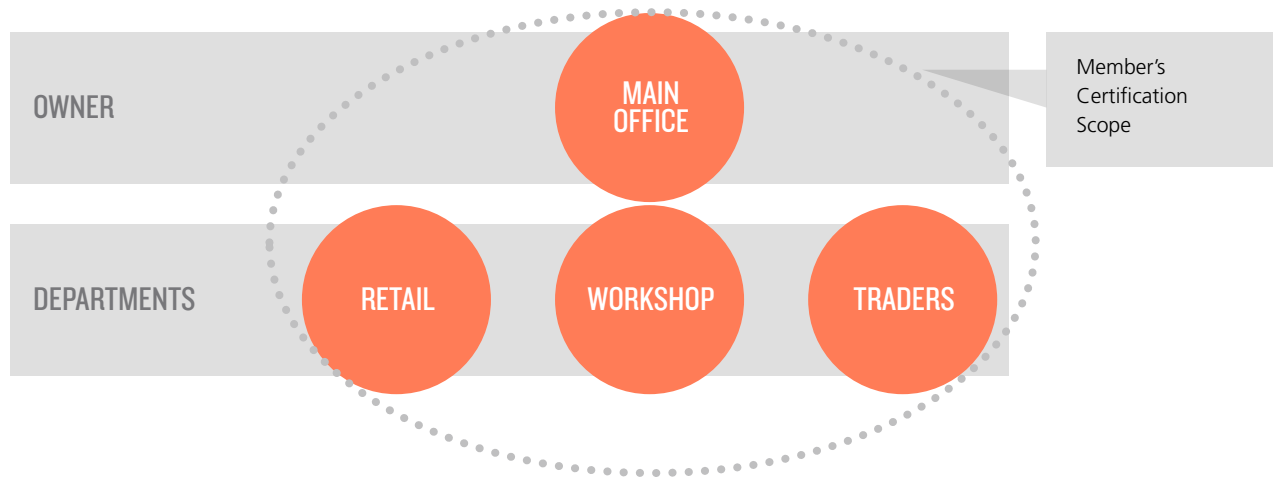
A Business Activity include a task, role, function or service relating to performance of work in the Diamonds, Gold and/or Platinum Group Metals Jewellery supply chain that is Controlled by a Member. Business Activities may or may not be performed at a Member's Facility.

Members can use the RJC Assessment Workbook (or an equivalent format of their own design) to record mandatory information about the Member's Certification Scope which will be supplied to the RJC in the Audit Report. Mandatory information about the Certification Scope includes:

1. Member business name and address details
2. Member Forum (i.e. Mine, Retail, etc.).
3. Contact details for key personnel including the designated contact for correspondence with the RJC and the Auditor.
4. Information about each Facility within the Certification Scope, including:
  - a. Name of each Facility
  - b. Location of each Facility (by City and Country)
  - c. Type of each Facility (e.g. retail store, workshop, etc.)
  - d. Number of Employees and Contractors at each Facility and in total. Where a large number of facilities make this impractical (e.g. for large retailers), the number of Employees and Contractors can instead be documented at a country level and in total.
  - e. A brief written explanation of the nature of the business activities conducted at each Facility. For those Members with a number of similar Facilities, the description of these Facilities may be grouped.
5. Details of Business Activities Controlled by the Member whether or not performed at a Member's Facility.
6. Information about any anticipated changes to the Certification Scope in the next three years.

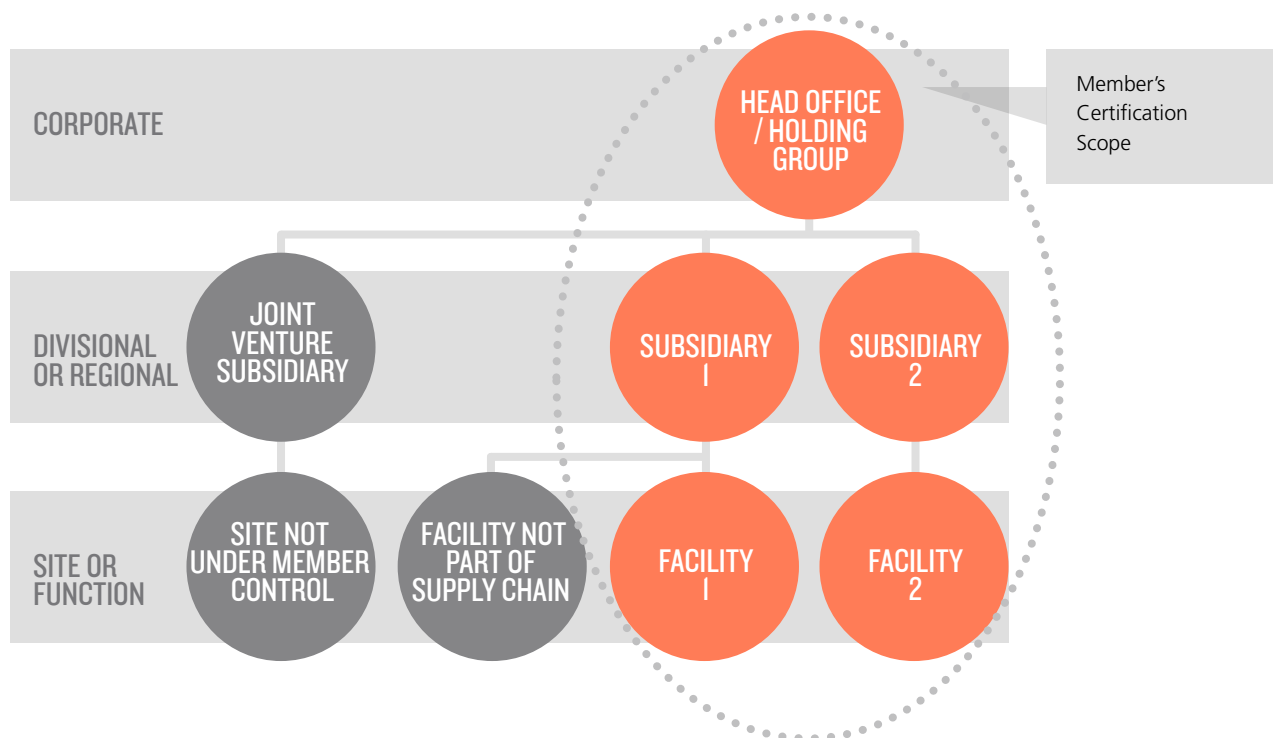
Each Member's Certification Scope will be different, reflecting the various sizes and types of organisational structures which make up the RJC membership. Organisational structures may be flat or multi layered, with a range of sizes, complexity and nature of the business.

Figure 2, Figure 3 and Figure 4 below are examples of organisational structures that illustrate how the Certification Scope may apply to different types of businesses.



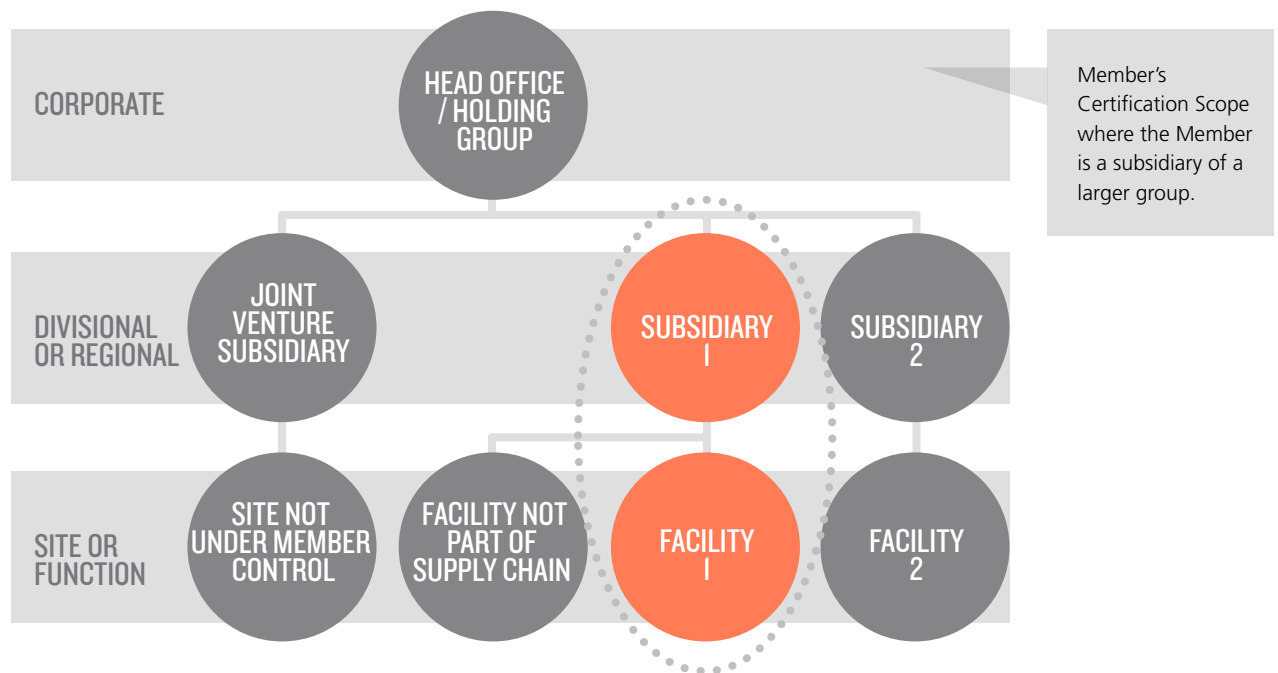
**FIGURE 2: A SIMPLER ORGANISATIONAL STRUCTURE TYPICAL OF A SMALL TO MEDIUM SIZED ORGANISATION AND THE CERTIFICATION SCOPE COMPRISES THE ENTIRE BUSINESS.**

Figure 2 shows a simple structure typical of small to medium sized organisations where the business practices are all owned or controlled by the Member and practices contribute to the diamond, gold and/or platinum group metal supply chain.



**FIGURE 3 MULTI-LAYERED COMPLEX ORGANISATIONAL STRUCTURE TYPICAL OF A LARGE ORGANISATION AND THE CERTIFICATION SCOPE IS A SUBSET OF THE MEMBER'S TOTAL BUSINESS.**

Figure 3 shows a more complex and multi-layered organisation with several subsidiaries and facilities, some of which are not under the control of the Member, and some do not contribute to the supply chain. In this example, the Certification Scope is a subset of the whole business.



**FIGURE 4 MULTI-LAYERED COMPLEX ORGANISATIONAL WHERE THE MEMBER IS A SUBSIDIARY OF A LARGER GROUP.**

Figure 4 shows a variation on this organisation type, where the Member itself is a subsidiary of the larger group. In this example, the Certification Scope is an even smaller subset of the whole business. However it must include all entities/facilities that the Member owns or controls.

Before granting Certification, each 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. Stakeholders are encouraged to contact RJC if they believe there are omissions or misrepresentations. RJC will use the Complaints Mechanism to investigate these concerns (see section 11 for more information).

## 4.2.2 MEMBERS IN THE MINING SECTOR

The exploration to pre-commissioned stages of the mine lifecycle are a critical Business Activity for developing future Mining Facilities. A number of COP provisions are relevant to these stages of mine development. Business practices in the exploration to pre-commissioned stages can be evidenced through desktop reviews or site visits as appropriate (see criteria in section 8.5.2 for more information).

Some Mining Facilities produce a number of mineral products from the same mine. Where the products include Gold and/or Platinum Group Metals as a significant saleable element in mineral concentrate or process by-products, this is generally considered an active contribution to the jewellery supply chain. However, there are situations where the contribution of a multi-commodity mine to the precious metals supply chain is marginal in the context of the mine's total production, so inclusion of such sites in a Member's Certification Scope can be considered on a case by case basis.

A Member may wish to address how such Facilities are included in the Certification Scope at the Membership level. Businesses that join the RJC can do so via the legal entity(ies) that only control those Mining Facilities that the business will include in the Certification Scope.

Any queries regarding Membership and Certification Scope should be addressed to RJC: [info@responsiblejewellery.com](mailto:info@responsiblejewellery.com)

## 4.2.3 RELATED COMPANIES

To put the Member's Certification Scope in context, the Assessment Workbook asks for information about any related companies to the Member that are not under its Control, but are also active in the diamond, gold and platinum group metals jewellery supply chain. This will include identifying where Members are part of a broader corporate group.

Auditors will draw on this information in the Audit Report to the RJC, such that a short description of any relevant related companies can be included in the Member's Certification Information on the RJC website.



## Certification Scope for the Chain of Custody Standard

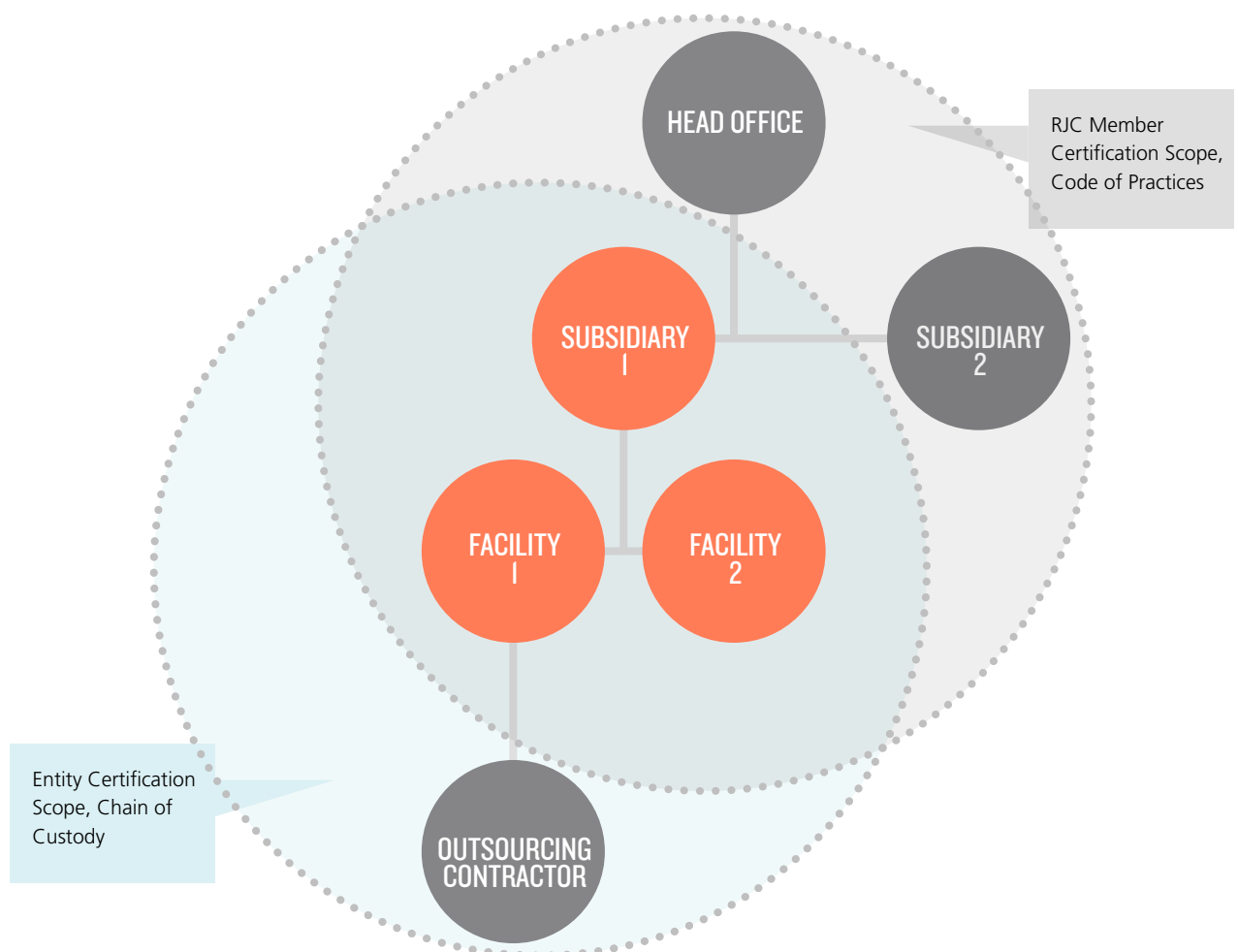
RJC Chain of Custody (CoC) Certification is open to RJC Members and/or Entities under their Control.

The CoC Certification Scope is defined by the Member/Entity seeking CoC Certification and must include:

- All Facilities under the Control of the Member that the Member/Entity intends to use for the extraction, processing, manufacturing, storage, handling, shipping and receiving, and marketing of CoC Material and
- All Outsourcing Contractors that the Member/Entity intends to use for the processing and manufacturing of CoC Material and
- The types of CoC Material (Gold, and/or Platinum Group Metals) to be included in the Certification Scope and
- The types of Eligible Material (Material in the form of Mined, Recycled and/or Grandfathered), if any, for which the Member/Entity intends to issue Eligible Material Declarations.

Unlike for the Code of Practices, the CoC Certification Scope does not need to cover all those parts of a Member's business that actively contribute to the Gold and/or Platinum Group Metals Jewellery supply chain. As shown in Figure 5, the Certification Scope for Members against the Code of Practices, and the Certification Scope for the Entities under the Chain of Custody Standard, may be different from each other. For example, an RJC Member may choose to only seek CoC Certification for some mines or manufacturing facilities under their Control and within their RJC Member Certification Scope.

The CoC Certification Scope also needs to identify which types of Material the Entity wishes to handle under the CoC Standard



**FIGURE 5: EXAMPLE OF HOW AN ENTITY'S CERTIFICATION SCOPE FOR CHAIN OF CUSTODY CAN DIFFER FROM A MEMBER'S CERTIFICATION SCOPE FOR THE CODE OF PRACTICES.**

and whether Eligible Material Declarations will be made. The types of Eligible and/or CoC Materials are Gold and Platinum Group Metals (Platinum, Palladium and Rhodium) that are one of the following:

- Mined: produced under responsible mining practices, as defined by the RJC Code of Practices or a comparable standard recognised by the RJC, or by ASM on an Entity's concession under an initiative supporting professionalisation and formalisation of ASM, or Mining Byproduct declared by a CoC Certified Refiner, and Conflict-Free as demonstrated by Due Diligence.
- Recycled: from Recyclable Materials sourced from suppliers screened according to Know Your Customer requirements to avoid Illegitimate Sources.
- Grandfathered: historical stocks with records that demonstrate they were produced before 1 January 2012.
- Mix of Mined, Recycled and/or Grandfathered: to accommodate bulk-commodity chain-of-custody models.

Note that materials currently outside the RJC's scope, such as other metals in alloys, plating or coatings, leather, or other precious stones, are not covered under the CoC Standard.

## 4.3 *Application of RJC Standards by Member Forum*

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Appendix 1 provides a breakdown of the required, optional (where applicable) and non-applicable Provisions of the Code of Practice and the Chain of Custody Standard according to the Member's type of business. This breakdown is not definitive, and exceptions may occur. The Certification Scope will define which Provisions apply.



# 5 RATING CONFORMANCE AND DEVELOPING CORRECTIVE ACTIONS

**Find out: How to rate conformance against the RJC Code of Practices and Chain-of-Custody Standard, and how to develop a corrective action plan for non-conformances.**

## 5.1 Findings and Conformance Ratings

Rating conformance is a central part of the certification process. All findings and conformances ratings must be clear, unambiguous and be supported by Objective Evidence. Self Assessments and Audits must use the conformance ratings defined in Table 5.

**TABLE 5: CONFORMANCE RATINGS**

Conformance Rating	Code of Practices	Chain of Custody Standard
Conformance	The Member's business practices, including the policies, systems, procedures and processes, perform in a manner that conforms to the Provision in the RJC Code of Practices.	The Member's policies, systems, procedures and processes perform in a manner that is conformant with the provision.
Minor Non-Conformance	<p>The Member's business practices including the policies, systems, procedures and processes perform in a manner that is not wholly conformant with the Code of Practices. Minor Non-Conformances are defined as the occurrence of one or more of the following situations:</p> <ul style="list-style-type: none"> <li>• An isolated lapse of either performance, discipline or control of the Member's business practices, which does not lead to a Major Non-Conformance of the RJC Code of Practices</li> <li>• A situation where the Member has a known non-compliance of legislative or regulatory requirements relevant to the Code of Practices and there is adequate attempt to rectify the non-complying condition and the non-compliance does not result in an imminent significant Risk to Workers, the Community or the Environment</li> <li>• A situation where the Member has not identified legislative or regulatory requirements relevant to the Code of Practices and the non-compliance does not result in an imminent significant Risk to Workers, the Community or the Environment</li> <li>• A finding which may not be an actual breach of the RJC Code of Practices at this point in time, but is judged to be a potential inadequacy in the Member's business practices during the Certification Period.</li> </ul>	The Member's policies, systems, procedures and processes perform in a manner that is not wholly in conformance with the provision, due to an isolated lapse of either performance, discipline and control which does not lead to a Major Non-Conformance.

Conformance Rating	Code of Practices	Chain of Custody Standard
Major-Non Conformance	<p>The Member's business practices including the policies, systems, procedures and processes perform in a manner that is not conformant with the Code of Practices. Major Non-Conformances are defined as the occurrence of one or more of the following situations:</p> <ul style="list-style-type: none"> <li>• The total absence of implementation of a required provision</li> <li>• A Member-wide systemic failure or total lack of controls required to manage business risks related to the RJC Code of Practices</li> <li>• A situation where the Member has not identified legislative or regulatory requirements relevant to the Code of Practices, or there is a known non-compliance of such legislative or regulatory requirements and:</li> <li>• there is inadequate attempt to rectify the non-complying condition and/or</li> <li>• this situation has the potential to result in an imminent significant Risk to Workers, the Community or the Environment;</li> <li>• A group of related, repetitive or persistent Minor Non-Conformances indicating inadequate implementation</li> <li>• Any finding or observation supported with Objective Evidence to prove a Critical Breach, or which raises serious doubts as to whether the Member has the business practices to avoid any Critical Breach.</li> </ul>	<p>The Member's policies, systems, procedures and processes perform in a manner that is not conformant with the provision due to:</p> <ul style="list-style-type: none"> <li>• The total absence of implementation of the provision or</li> <li>• A systemic failure or total lack of required controls or</li> <li>• A group of related, repetitive and persistent Minor Non-Conformances indicating inadequate implementation.</li> </ul>
Not Applicable	The Provision cannot be implemented by a Member due to the nature of its business covered by the Certification Scope.	The Provision cannot be implemented by a Member due to the nature of its business covered by the Certification Scope.

## RELATED MINOR NON-CONFORMANCES

A group of Minor Non-conformances may justify elevation to 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 nature of the non-conformance across multiple facilities or
- **repetitive** – same issue throughout the business which is often symptomatic of a systemic failure or absence of controls or
- **persistent** – due to ineffective corrective actions to address root cause.

For example, numerous instances of missing required records, such as material safety data sheets, or employee time sheets, indicating performance is not in conformance with the Provision.

The key is whether a Minor Non-Conformance is isolated, or whether it is related to other Minor Non-Conformances in a manner that indicates common root causes through weaknesses in management systems.

Remember to review all findings before finalising ratings for non-conformances.

## 5.2 *Not Applicable Ratings*

Members and Auditors can rate a Provision as being Not Applicable.

Credible and verifiable reasons must be provided for all Provisions rated as being Not Applicable. Reasons provided by Members must be validated by the independent Auditors.

### LOW RISK DOES NOT MEAN NOT APPLICABLE

Remember that there will be some cases where a Provision is genuinely Not Applicable. But be mindful that a low risk Provision does not mean Not Applicable!

The Not Applicable rating is to be used when a Provision of the RJC Standard is genuinely not applicable to the Member, in other words it would be illogical or impossible to apply it. For example, the Mining Sector provisions are not applicable to Members that do not have mining or exploration activities. More guidance on applicability is found in the Standards Guidance.

## 5.3 *Critical Breach*

### 5.3.1 CODE OF PRACTICES

A COP Critical Breach is Major Non-Conformance against a Provision deemed to be critical to the integrity of the RJC Code of Practices. Critical Provisions are identified in Table 6.

**TABLE 6: LIST OF CRITICAL PROVISIONS IN THE RJC CODE OF PRACTICES**

Code of Practice Provision	Provision Reference
16 Discipline and Grievance Procedures	16.1
17 Child Labour	17.1, 17.2
18 Forced Labour	18.1
23 Hazardous Substances	23.2
24 Waste and Emissions	24.2c
26 Product Disclosure	26.1
27 Kimberley Process Certification Scheme and World Diamond Council System of Warranties	27.1

If any of findings attributed to these Critical Provisions are rated as a Major Non-Conformance, then the Member is deemed to be in a situation of Critical Breach of the RJC Code of Practices.

### 5.3.2 CHAIN OF CUSTODY

A CoC Critical Breach is a finding or observation, supported by objective evidence, of deliberate falsification of information required to support a conformance rating.

## 5.4 *Obligations Resulting from Non-Conformances for COP and CoC*

The following table describes the obligations that Members and Auditors have in relation to follow-up action required for non-Conformances identified during an independent Audit.

**TABLE 7: OBLIGATIONS RESULTING FROM A NON-CONFORMANCE BY RJC STANDARDS**

Conformance Rating	Code of Practice	Chain of Custody
Minor Non-Conformance	Members with Minor Non-Conformances are eligible for a 3 year COP Certification provided they prepare adequate Corrective Action Plan/s. These may be reviewed by the Auditor during subsequent audits.	Entity's Corrective Action Plans are in place, approved by the Auditor. These will be subject to verification at the time of the next Audit.
Major Non-Conformance	<p>Members with Major Non-Conformances are eligible for a 1 year COP Certification provided all Major Non-Conformances have been adequately addressed or captured in a Corrective Action Plan approved by a Lead Auditor. The Corrective Action Plan must be submitted to the Auditor for approval within 1 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 1 year.</p> <p>Remember all Members are expected to transition from a 1 Year period to the full 3 Year Certification Period as soon as practicable (see section 3.6).</p>	<p>If a Major Non-Conformance is found during a Certification Audit or a Re-certification Audit, the Member shall not be recommended by the auditor for CoC Certification.</p> <p>If a Major Non-Conformance is found during the Surveillance Audit, CoC Certification will be suspended. Outsourcing Contractors with any Major Non-Conformances will be excluded from the scope of the Certification. A company may request another audit at any time, once it has addressed any Major Non-Conformances.</p>
Critical Breach	<p>A Major Non-Conformance for a Critical Provision raised by an independent Auditor will result in a Critical Breach.</p> <p>Auditors shall cease any audit activity if a Critical Breach is found during an audit, and shall immediately notify the Critical Breach to the RJC Management Team. Disciplinary proceedings will commence (see section 11).</p>	<p>Deliberate falsification of CoC Material, falsification of records for CoC Material, or falsification of information provided to auditors will result in a Critical Breach. Auditors shall cease any audit activity if a Critical Breach is found during an audit, and shall immediately notify the Critical Breach to the RJC Management Team. Disciplinary proceedings will commence (see section 11).</p>

## 5.5 *Documenting Non-conformances*

All Non-Conformance finding must include clear and consider 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.

All Non-conformances must be documented and:

- State the nature of the Non-Conformance clearly and exactly in terms of the likely underlying cause of the deficient practice
- Cross-reference the requirement of the Provision being audited
- Be supported by relevant and verified Objective Evidence.

Non-conformance findings should be written to address the deficiency underlying the problem, so to identify how the problem could be prevented from recurring. A deficiency may turn out to have multiple causes. Typically, causes of management system deficiencies are:

- 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
- Lack of resources, time or capacity.

## 5.6 *Corrective Action Plans*

Any identified Non-Conformance (either a Minor or Major Non-Conformance) requires the Member to prepare and implement appropriate Corrective Action Plans.

The Corrective Action Plan may include both corrective and preventive actions.

- A Corrective Action is defined as an action implemented to eliminate the cause of a non-Conformance or an incident, in order to prevent a recurrence.
- A Preventive Action is defined as an action implemented to prevent the occurrence of a non-Conformance or an incident.

Advice on a suggested management approach for each of the Provisions of the RJC Standards is contained in the Standards Guidance for both the Code of Practices and Chain-of-Custody Standard. External assistance to assess the underlying causes and identify solutions can also be sought at this stage.

A suggested template for a Corrective Action Plan is provided in Appendix 2. This template is also included in the RJC's Assessment Workbooks and toolkits.

Once the actions are implemented, Members must verify the effectiveness of the actions to ensure that they have:

- not introduced new actual and/or potential Risks, and
- addressed the root cause to avoid recurrence of a Non-Conformance.

The Member should select appropriately qualified and/or experienced personnel to carry out this task commensurate with the nature and severity of the Non-Conformance.

### CORRECTIVE ACTIONS SHOULD BE SMART AND EFFECTIVE!

Corrective actions should be specific, measurable, achievable, realistic, timely and effective. Corrective action plans should demonstrate the means, resources and timeframe for the implementation of each action.

**Specific:** Is the Corrective Action clear and unambiguous? Does it address the underlying cause of the Non-Conformance?

**Measurable:** Can the implementation of the action be monitored and measured?

**Achievable:** Does the action have clearly assigned responsibilities and the means for implementing the action?

**Realistic:** Is the Corrective Action realistic and fit for purpose, given the nature of the Non-Conformance? Has the means and capacity (resources, allocated funding, etc.) to implement the Corrective Action been assigned?

**Timely:** Is the time frame for completing the Corrective Action within the Certification period? Preference should be given to completion of all Corrective Actions within the Certification period. However, actions involving capital works or approvals may require longer time. In these cases, progress milestones during the Certification Period should be set and interim short term corrective measures should be established to mitigate the effects of the events which lead to the Non-Conformance.

**Effective:** Will the action be effective in addressing the Non-Conformance, and prevent its recurrence?

## 6 OBJECTIVE EVIDENCE AND SAMPLING

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

### 6.1 *Types of Objective Evidence*

Objective Evidence is verifiable information, records, observations and/or statements of fact gathered during a Self Assessment and/or an Audit. Objective Evidence can be qualitative or quantitative and may be in the form of one or more of the following:

- Documentation
- Observations
- Testimonial.

Documentation may include policies and procedures necessary to implement the RJC Standard or records generated from the implementation of processes and procedures.

The following table provides guidance on the period of records and documentary evidence that should be reviewed as objective evidence. In some cases, earlier records may also be relevant.

**TABLE 8: PERIOD OF RECORDS AND DOCUMENTARY EVIDENCE BY AUDIT TYPE**

Audit Type	Period of Records
Self Assessment / Initial Certification Audit	Previous 12 months
Mid-Term Review (COP) / Surveillance Audit (CoC)	Previous 12-18 months, depending on timing of the Mid-Term Review (COP) or Surveillance Audit (CoC)
Re-certification audit	Previous 12 months for a 1 year Certification Period (COP only) Previous 36 months for a 3 year certification Period

Information gathered through observations of activities and practices can also be used as objective evidence. However it is important to verify understanding of what has been observed.

Testimonial or information gathered from interviews is also an important source of objective evidence. Testimonial evidence can be verified by reviewing records, observing activities or by interviewing other personnel.

As the Objective Evidence is used to support the rating of Conformance with a Provision, it is vital that it is clearly and unambiguously recorded. Information obtained can include hard or softcopy documentation, forms, records, verified statements of fact or observations.

Additional information about types of objective evidence and general guidelines for effective audits are provided in Appendix 3 and Appendix 4.

## 6.2 *Collecting and Sampling for Objective Evidence*

The process of collecting Objective Evidence, whether by the Member for a Self Assessment or by the Auditor during an audit, will require that some level of sampling be applied. This might be a sample of documentation and records, interviewing a representative selection of personnel, or observing the key functions. Sample methods need to ensure that representative samples are used and not biased in some way.

Ultimately, the sample must be enough to objectively support conformance or non-conformance with a requirement. The size of the sample, particularly in relation to the total population, will naturally influence the confidence in the audit results. The sample size needs to be sufficient to provide a reasonable level of confidence that it is representative of the larger group.

Sampling can be carried out based on the use of judgement or by employing statistical techniques. For example, one guideline is to sample the square root of the total relevant records. However for large numbers of consistent records, a much smaller sample may be sufficient. Sampling should be carried out to access enough evidence to verify that systems and process are in place and are effective. Further detail about sampling techniques is provided in Appendix 5.

It is important to understand that the actual process of gathering Objective Evidence involves interaction with people as well as technical skill. Strong communication, questioning, listening and observation skills become ineffectual if the wrong information is gathered. Poor checklist utilisation can generate inadequate records for evaluation, conclusion and report writing.

**Remember that Objective evidence must be all of the following:**

- relevant to the time period for the scope of the assessment
- relevant to what is being assessed or verified
- traceable
- clear and unambiguous.

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

- Organisational charts outlining structure, responsibilities and authorities
- Details describing the Member's products and processes
- Legal permits, licences or other authorisations and related documents and correspondence
- Reviews of previous assessments
- Audit reports from relevant Certifications under other recognised systems
- Communication with interested parties including neighbours and other stakeholders
- Risk assessment registers.



# 7 SELF ASSESSMENT BY MEMBERS

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**Find out: How RJC Members can carry out their Self Assessment, and use it to prepare for an independent third party audit.**

## 7.1 *Context and Purpose*

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Members are encouraged to conduct a Self Assessment of their systems against the RJC Standard, prior to the Certification Audit.

A Self Assessment is an evaluation review carried out by Members on their own Entities and Facilities to better understand their current conformance with the requirements of an RJC Standard. It can be conducted against the Code of Practices or the Chain of Custody Standard.

Members can use the Self Assessment to document Certification Scope information that must be submitted to RJC. It is also an opportunity to gauge preparedness for a Certification Audit, improve practices where required, and to identify documentation or key individuals that may be required during a Certification Audit.

## 7.2 *RJC Co-ordinator*

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It is recommended that Members designate a RJC Co-ordinator for the purposes of Self Assessment and the Audits. The Co-ordinator's roles could include overseeing the following:

- Complete and/or delegate and co-ordinate the Member's Self Assessment
- Be a central point of contact and support for corporate documentation and any internally initiated corrective actions undertaken in advance of the audits
- Co-ordinate the engagement of the Auditor/s, once the Member's Self Assessment is complete
- Assist the Auditor/s with additional information, contacts at Facilities for visits, and scheduling and logistics, as required
- Liaise with the RJC on progress, as required.

## 7.3 *RJC Workbooks and Toolkits*

Assessment Workbooks and accompanying Toolkits are provided by the RJC for both the Code of Practices and the Chain of Custody Standard. The Workbooks direct the Member to gather relevant objective evidence using prompts and questions to establish the level of conformance against each of the requirements in the respective RJC Standard.

Workbooks and Toolkits, which are available on the RJC website, include the following in Table 9:

**TABLE 9: LIST OF RJC WORKBOOKS AND TOOLKITS TO ASSIST WITH A SELF ASSESSMENT**

RJC Standard	Title	Information
Code of Practices	Assessment Workbook	Used by Members to document the Certification Scope, assess conformance with the Code of Practices and to prepare for the independent Audit.
	Risk Assessment Toolkit	Can be used by Members to conduct risk assessments. Supports implementation of key Provisions in the Code of Practices and the output can be provided as evidence during an independent Audit.
	Human Rights Due Diligence Toolkit	Can be used by Members to conduct a Human Rights Due Diligence review. This toolkit supports the implementation of Provision 6 in the Code of Practices and the output can be provided as evidence during an independent Audit.
Chain of Custody	Assessment Toolkit	Used by Members to document the Certification Scope for Chain of Custody, assess conformance, and prepare for the independent Audit..
	Outsourcing Contractors Assessment Toolkit	Used by Members to assess the conformance of Outsourcing Contractors (where these are used) against Provision 2 of the Chain of Custody Standard.

## 7.4 *Completing one or more Assessment Workbook*

Members can decide how many separate Assessment Workbooks, or similar, to complete as part of the overall Member Self Assessment. This decision may be made on the basis of:

- The organisational structure
- Design and implementation of the operating management systems
- Regulatory framework and jurisdiction
- Size and nature
- Process activities, complexity and technology
- Product range
- Geography and location.

For efficiency, Members are advised to complete the minimum number of Assessment Workbooks that allows a representative assessment of the Member's Facilities and suitable allocation of performance ratings per Workbook. For example, a Member may elect to complete:

- One Assessment Workbook to cover the whole of its business or
- One Assessment Workbook to cover its manufacturing Facilities, and another Workbook to cover its retail business or
- An Assessment Workbook to cover each of its major retail brands.

## 7.5 *Using an alternative format*

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Members are free to use their own format for assembling the information required for the Self Assessment. However, the same methodology and process definitions must be used, and mandatory information as identified in the Assessment Workbooks must be completed and made available to the Auditor.

## 7.6 *Correcting Non-Conformances*

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The Self Assessment should be used by the Member to examine and review its business practices against each of the provisions of the RJC Standard being assessed. By doing this, any non-conformances against the required Provisions can be identified well in advance of the independent Audit.

The Member should use the time available to them in the Self Assessment stage to address these non-conformances, or make them the focus of an internal corrective action plan, before finalising their Self Assessment and commissioning the independent Audit. Pay particular attention to the following:

- Critical Breaches must be addressed prior to commissioning the Certification Audit, as disciplinary proceedings will commence if they are identified by the auditors
- Other non-conformances do not necessarily need to be completely resolved before an independent Audit. However Members are encouraged to do so where possible, or evidence (such as a corrective action plan) should be available to show auditors what action is being undertaken.

For more information about Corrective Actions Plans, refer to section 5.6.

## 7.7 *Seeking external assistance*

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Members who lack the capacity, resources or confidence to complete their Self Assessment or to develop systems and processes required by an RJC Standard, can consider seeking the assistance of a competent consultant or advisor.

Note that any person (including personnel, external consultants or advisers) involved in the Self Assessment or in the development of systems required by an RJC Standard cannot be an independent Auditor or part of the team that conducts the Certification Audit or other Periodic Reviews, as this represents a conflict of interest.

RJC plans to maintain a list of Accredited Topic Experts on the RJC website as a potential resource. Members are also free to identify other relevant consultants or advisors.

## 7.8 *Preparing for the Certification Audit and other Periodic Reviews*

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### 7.8.1 RECORDS AND DOCUMENTARY EVIDENCE

Historical records and documentary evidence (where it exists) must be maintained and made available by Members for review as requested by the Auditors. Retention of records must be in accordance with Applicable Law. For the purposes of the Audit, see the relevant period of records specified in Table 8: Period of Records and Documentary Evidence by Audit Type (see section 6.1).

Note that no copies of these documents and records can be taken by the Auditor unless they seek written permission from the Member. They will however, be reviewed by the Auditor whilst on site in order to assess conformance.

## 7.8.2 INFORMING AND TRAINING PERSONNEL

In many circumstances, Members and their personnel may not be familiar with an independent Audit process. The following information is provided to assist Members and their Employees and Contractors prepare for an independent Audit:

- An Auditor's objective is to review the Member's systems and performance in order to establish whether they conform with an RJC Standard. Personnel should be reassured that Auditors are not there to audit an individual's behaviour or performance.
- Auditors will gather Objective Evidence by reviewing records, observing activities and practices and by asking questions of and conversing with personnel.
- Individual and group interviews may be conducted.
- Translators and support personnel may be present during the interviews.
- Quiet meeting rooms should be made available for interviews, however some interviews may be conducted in an open place.
- If requested by either the interviewee or the Auditor, interviews can be conducted in a confidential manner without the presence of management.
- Interviewees will be selected by the Auditor based on who is best suited to answer questions about the provision in the RJC Standard being audited. Some will be identified before the audit commences as part of the Auditors planning process and others may be interviewed informally during the Auditor's site inspection.
- Auditors can only request an individual to participate in an interview; however a manager cannot prevent a willing interviewee from participating in the audit.
- Employees and Contractors must answer truthfully and accurately, including a situation where the interviewee is unsure of the response.
- Interviewees need to be aware that Auditors will record notes from the discussion. If the interview is to be recorded on audio or video media, then the interviewee must be informed and agree to this type of recording.
- Interviewees may be asked to describe and/or demonstrate how they carry out their day to day duties to enable the Auditor to observe practices. This is a normal method used by Auditors to verify testimonial or documented statements.
- No Employee or Contractor shall be reprimanded for their responses. If a response is factually incorrect, management shall communicate to all concerned (Employees, Contractors and Auditors) of this mistake, state the correct answer and provide evidence to verify the correct information.
- Although interviews are important, and participation should be encouraged, they are not compulsory. However, Auditors may note a situation where an Employee or Contractor has refused to be interviewed.
- Findings based on Objective Evidence gathered during interviews will ensure the interviewee's identity remains anonymous unless permission has been given by the interviewee. Note that in certain locations, it may be a legal requirement that Employees be informed of this process in advance. Where it is not a legal requirement, it is nevertheless recommend that Employees be informed about the audit and the possibility of their being interviewed.

Members should also ensure that Employees and Contractors are familiar with the documentation and records likely to be used during the audit process. Documents may include the Member's policies and procedures, and the records generated from the implementation of these procedures. Examples of documents and records are included as suggested evidence in the Assessment Workbook. Additional examples are provided in Appendix 3.

Appendix 4 contains guidelines on how to conduct effective audits. Members and their Employees may also find reading this information helpful to further understand the audit process.

## 7.9 *Requesting an Audit*

When the Member deems itself ready to be independently audited, an RJC Accredited Auditor can be appointed. A list of Accredited Auditors is available on the RJC website. Members are encouraged to contact several Auditors to familiarise themselves with the availability and commercial terms of each Auditor. Members may wish to consider asking Auditors to enter into confidentiality agreements, to protect confidential or commercially sensitive information during the course of their desktop and on-site Audits.

Once an agreement has been developed, Members should submit their Self Assessment and any other documentation to their chosen RJC Accredited Auditor. If the request relates to a subsequent audit such as a Periodic Review, then the information provided to the Auditor must include any changes to the Certification Scope.

Where several standards are to be audited at the Member's Facilities in a similar timeframe, the Member may wish to organise the RJC Audits to occur concurrently as this may reduce duplication and costs. In these situations, Auditors would generate reports that meet the requirements for each standard.

Self Assessments are not submitted to the RJC. However Members are invited to advise the RJC when their Self Assessment is complete and accredited auditors have been appointed.

### QUICK CHECKLIST FOR MEMBERS

Be sure that you have:

- Documented the Certification Scope including contact details and addresses of the Facilities
- Provided number of Employees and Contractors per Facility (Code of Practices)
- Information about any Related Companies (Code of Practices)
- Provided details about other equivalent audit programs (Code of Practices)
- Provided information about any anticipated changes to the Certification Scope such as expansions, acquisitions, divestments, etc.
- Addressed all or most of the Non-Conformances you identified during the Self Assessment.

# 8 INDEPENDENT THIRD PARTY AUDITS

**Find out: Information and guidance on the independent third party audit process for the Code of Practices and Chain-of-Custody Standard.**

## 8.1 *Audit Process Overview*

Independent third-party Audits are conducted by RJC Accredited Auditors to verify that a Member's business performance and its systems and processes conform to the requirements specified in the RJC Standard. This is done by collecting objective evidence from a representative selection of the Member's Certification Scope.

There are three main stages for an independent Audit:

- **Pre-Audit Planning** which includes:
  - Initial Communication with the Member
  - Gather and Review Information
  - Define the Audit Scope
  - Identify the Audit Team
  - Estimate Audit Time Requirements
  - Document the Audit Plan
  - Finalise Details with the Member
- **Audit Conduct** which covers:
  - Opening meeting
  - Obtaining Objective Evidence
  - Evaluation of the results
  - Documenting Non-Conformances
  - Making Recommendations and Suggested Business Improvements
  - Determining the need for follow-up Audits
  - Closing or Exit Meeting
- **Post-Audit Follow-up and Reporting** which covers:
  - Statement of Conformance
  - Monitoring and Evaluation Data
  - RJC Audit Report
  - Member Audit Report

Further details regarding each of these stages are provided below.

## 8.2 *Initial Communication with the Member*

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Prior to the Audit a range of details need to be discussed and confirmed with the Member. This includes availability of documentation, pre-audit visits (if possible and agreed) and on-site timetable information. The formality of such communication varies dependent upon the nature and objectives of the assessment, local and cultural customs, and familiarity of the Auditors with the Member's business.

Factors to consider in initial contacts by the Auditors with the Member include:

- Logistics involved
- Date and timing of Audit
- Agreement on Audit Scope and objectives
- Availability of the Members key personnel
- Access to documentation
- Requirement for pre-Audit visit (if applicable and feasible)
- Size and composition of the audit team.

## 8.3 *Commercial Arrangements and Confidentiality*

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Auditors may have access to confidential or commercially sensitive information during the course of their desktop and on-site Audits. It is entirely at Members' discretion whether to require that their chosen Auditors enter into confidentiality agreements to prevent disclosure of such information to third parties. Confidentiality agreements are common practice for third party verification and auditing. Note that RJC's reporting requirements must still be met.

## 8.4 *Gather and Review Information*

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Auditors should endeavour to gain as much understanding of the Member's business as possible by obtaining access to and reviewing relevant documentation. The documentation should include the completed Member Self Assessment.

Other useful documentation includes, but is not limited to:

- Organisational charts outlining structure, responsibilities and authorities
- Description of the products and processes including:
  - Infrastructure, facilities and equipment
  - Work hours and shifts
  - Descriptions of the applicable legislation
  - Reports of previous audits.
- List of current issues including:
  - Interested parties including neighbours and other stakeholders
  - Risk profile of the Member including ethical environmental and workplace Health and Safety issues.

Auditors should be aware of both the intent and practical application of relevant criteria and documents, including relevant regulations, standards, policies, contracts, procedures, specifications and guidelines.

General information relating to the activities or functions to be audited should also be obtained and reviewed prior to the Audit. While it is ideal to review such Member documentation prior to the Audit, it is not uncommon that Auditors need to exercise flexibility where some documentation is not available until on site.

Some Members may request and benefit from a pre-Audit visit to some or all of the Member facilities. The purpose of such a visit is to obtain sufficient information on the Member business including its size, complexity and scope (geographical, workforce and process range) to allow the Audit to be planned as effectively as possible. However, this is not mandatory and should only take place if agreed to by the Member organisation.

## 8.5 *Define the Audit Scope*

### 8.5.1 ALL AUDITS

The Audit Scope defines the extent and boundaries of the Audit as determined by the Auditors. The Audit Scope includes the selection of Facilities and Business Activities from within the Certification Scope and a selection of Provisions of the RJC Standard to be reviewed during the Audit, taking into consideration the nature, scale and impact of the Member's business. The Audit Scope should be established so as to:

- Take account of Risk and relevance using available information e.g. the Member's Self Assessment, public reports, legislative frameworks, the results of previous assessments, and any existing Certifications.
- Fit within the recommended time limits, or as otherwise negotiated (see Table 11 and Table 12).
- Obtain the necessary Objective Evidence to produce a Statement of Conformance to the RJC.
- Be documented in an Audit Plan detailing which Provisions are to be assessed at which Facilities.

### 8.5.2 AUDIT SCOPE FOR MINING EXPLORATION TO PRE-COMMISSIONED ACTIVITIES – CODE OF PRACTICES

Inclusion of the exploration to pre-commissioned stages of a mine's lifecycle in the Audit Scope should take into account the criteria outlined in Table 10. Exploration to pre-commissioned stages encompass a wide variety of activities and judgment may be needed to develop a sampling approach to desktop reviews and/or site visits of such activities. This should take into account centralised corporate oversight of these activities. For Members with no other active Mining Facilities, a representative sample of exploration to pre-commissioned activities as described in the first two columns may need to be included in the Audit Scope for site visits.

**TABLE 10: CRITERIA FOR INCLUSION OF MINING EXPLORATION TO PRE-COMMISSIONED ACTIVITIES IN AUDIT SCOPE – CODE OF PRACTICES**

Generally excluded from the Audit Scope if:	Generally included in the Audit Scope for desktop review if:	Generally included in the Audit Scope for site visit if:
Activities leading up to the ore body delineation stage, including: <ul style="list-style-type: none"> <li>• Prospecting</li> <li>• Area selection</li> <li>• Target identification</li> <li>• Initial drilling.</li> </ul>	Delineation or evaluation activities, taking into consideration: <ul style="list-style-type: none"> <li>• Scale, expenditures (e.g. \$100M cut-off)</li> <li>• Presence of significant social or environmental issues</li> <li>• Works such as new airstrips, permanent or high-impact roads, multi-year camps</li> <li>• Bulk sampling, on-site processing facilities</li> <li>• Initiation of feasibility studies.</li> </ul>	Projects where: <ul style="list-style-type: none"> <li>• The mine is now under construction</li> <li>• A Free Prior Informed Consent (FPIC) process is underway.</li> </ul>

Any queries regarding Audit Scope should be addressed to RJC: [info@responsiblejewellery.com](mailto:info@responsiblejewellery.com)



### 8.5.3 AUDIT SCOPE FOR PERIODIC REVIEWS AND RE-CERTIFICATION AUDITS

Periodic reviews to check that Members continue to conform with the RJC Standards will be carried out during and/or at the end of each Certification Period. Periodic reviews include:

- Mid-Term Reviews (COP)
- Surveillance Audits (CoC)
- Re-certification Audits.

In setting the Audit Scope for subsequent assessments consider:

- Facilities and provisions that may not have had less attention in the previous Audit
- Nature of non-conformances in the previous Audit
- Corrective Action Plans for major and minor non-conformances
- Changes to the Members' Certification Scope
- Changes to the Members' business including organisational structure and resources.

## 8.6 *Estimated Audit Time and Cost Requirements*

The Audit Scope is informed by an estimate of the time required to conduct an effective Audit.

The cost of an Audit is a direct function of the time required and the rates charged by the Auditor. As the rates vary based on the market and are subject to commercial arrangements between the Member and the Auditor, this section focuses on guidance to estimating the time required to conduct an Audit.

The Audit time (in Audit person-days) depends on factors such as the size, complexity and location of the Member's business and this is illustrated in Figure 6.

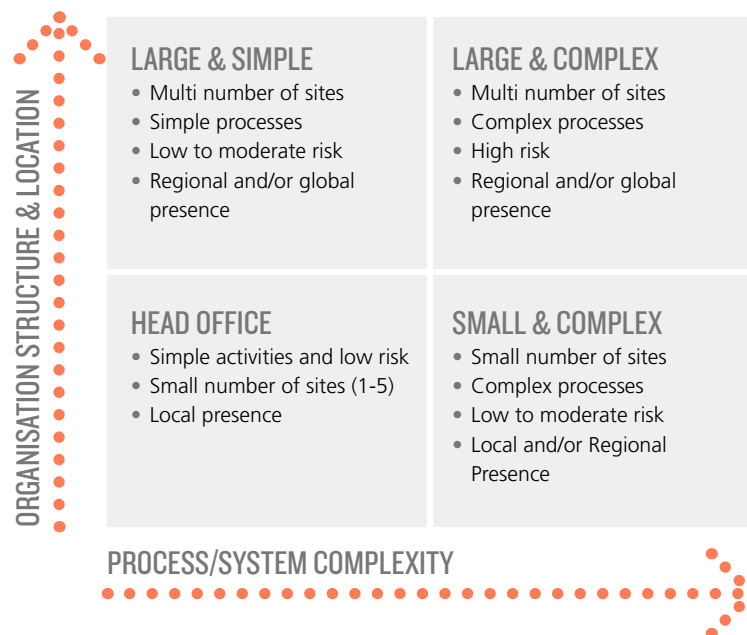


FIGURE 6: ORGANISATION TYPES AND COMPLEXITY FACTORS WHICH AFFECT AUDITING TIMES.

The horizontal and vertical axes in Figure 6 (Process/System Complexity and Organisational Structure & Location, respectively) illustrate a continuum spread rather than discrete distinction between business types. For instance, the Process/System Complexity continuum can include Members with:

- Limited product line and/or simple process (e.g. retail)
- Multiple products and varied process operations (e.g. Diamond trading or Jewellery manufacturing)
- Complex, unique and or significant operations (e.g. Mining, manufacturing, etc.).

Similarly, the Organisational Structure & Location continuum can include Members with:

- Local presence (usually within a city or locality)
- Regional presence (typically within a country or several countries)
- Global (typically multinational presence).

Guidance for the Certification Audit on-site time with consideration to these factors has been provided in Table 11:

**TABLE 11: GUIDANCE<sup>1</sup> REGARDING REQUIRED TIME ON SITE DURING THE CERTIFICATION AUDIT.**

Number of Personnel working in Facilities included in the Certification Scope <sup>2</sup>	Base Time (on site Audit person Days)	Additive Factors (Business Complexity & Location)			
		Local Operation and Simple Processes	Local Presence and Complex Processes	Regional / Global Operation and Simple Processes	Regional / Global Operation and Complex Processes
1-25	2	-1	+1	+2	+3
25-100	3	-1	+1	+2	+3
100-500	5	-1	+2	+3	+5
500-1000	6	-2	+3	+4	+6
1000-5000	8	-2	+4	+6	+8
5000 – 10,000	10	-3	+5	+7	+10
10,000 – 15,000	12	-4	+6	+8	+10
15,000 – 20,000	14	-5	+7	+9	+12
>20,000	>14	<-5	+>7	+>9	+>13

<sup>1</sup> Based on estimates for management system certification schemes as published by the International Accreditation Forum. The IAF is the world association of Conformity Assessment Accreditation Bodies and other bodies interested in conformity assessment in the fields of management systems, products, services, personnel and other similar programmes of conformity assessment. For more information see the IAF website [www.iaf.nu](http://www.iaf.nu)

<sup>2</sup> The number of part time employees should be treated as fulltime equivalents based on the number of hours worked as compared with full time employees.

Where the Certification Scope remains unchanged, the time required for Mid-Term Reviews (COP) and Surveillance Audits (for CoC) should not be greater than  $\frac{1}{3}$  of the time spent on the initial certification audit. For Re-certification Audits, the time required should not be greater than  $\frac{1}{2}$  of the time spent on the initial certification audit. This is illustrated in Table 12:

**TABLE 12: GUIDANCE<sup>1</sup> REGARDING REQUIRED TIME ON SITE DURING THE SUBSEQUENT AUDITS.**

Number of Personnel working in Facilities included in the Certification Scope <sup>2</sup>	Initial Certification Audit Time	On site time for Periodic Reviews and Audits - Mid-Term Review (COP), Surveillance Audit (CoC) and Re-certification Audits Range (on site Audit person Days)
1-25	2-6	1-3
25-100	3-8	1-4
100-500	4-10	2-5
500-1000	5-12	2-6
1000-5000	6-14	3-8
5000 – 10,000	7-16	3-9
10,000 – 15,000	8-18	4-9
15,000 – 20,000	9-20	4-10
>20,000	>10	>5

As a rule of thumb, time required for an audit is distributed as follows:

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

By this rule of thumb, the total time required by the Auditor is around twice that spent on-site at the Member's premises.

To achieve efficiencies, RJC Members have the option of combining Member Certification against the Code of Practices and Certification to the Chain of Custody Standard, where this is relevant.

## 8.7 *The Audit Team*

### 8.7.1 THE LEAD AUDITOR

An Audit may be conducted by one or more Auditors. In all cases, a Lead Auditor must be appointed. The Lead Auditor is responsible for ensuring the efficient and effective conduct and completion of the Audit within the scope and plan approved by the Member. In addition, Lead Auditor responsibilities and activities include:

- Consulting with the Member when determining the scope and plan of an Audit
- Obtaining relevant background information necessary to meet the objectives of the Audit
- Forming the audit team and directing its activities
- Preparing the audit plan and communicating it to the Member and audit team members
- Coordinating the preparation of working documents
- Resolving any problems that arise during the Audit
- Recognising when audit objectives are unattainable and reporting the reasons to the Member and the RJC
- Representing the audit team in all discussions
- Notifying Audit findings to the Member
- Approving Corrective Action Plans for Major Non-Conformances identified in an Audit
- Reporting the Audit results to the Member and the RJC, including a signing a Statement of Conformance.

<sup>1</sup> Based on estimates for management system certification schemes as published by the International Accreditation Forum. The IAF is the world association of Conformity Assessment Accreditation Bodies and other bodies interested in conformity assessment in the fields of management systems, products, services, personnel and other similar programmes of conformity assessment. For more information see the IAF website [www.iaf.nu](http://www.iaf.nu)

<sup>2</sup> The number of part time employees should be treated as fulltime equivalents based on the number of hours worked as compared with full time employees.

## 8.7.2 REQUIREMENTS FOR AUDIT TEAM MEMBERS

An Audit may be conducted by one or more Auditors. In all cases, the audit team must include people with the skills necessary to cover the objectives of the Audit. The size and composition of the audit team will be influenced by a number of factors including:

- Audit Scope
- Availability of qualified Auditors
- Geographic location of the Member
- Requirement for specialist knowledge
- Language considerations
- Cultural considerations (e.g. language, country or regional social familiarity, religion, gender, etc.).

The conduct of effective audits requires effective Auditors. Whilst the style of auditing may differ from one Auditor to another, there are common elements of competency that all Auditors should possess. These can be categorised as knowledge and skills gained through education, training and experience and personal attributes which are exercised through exposure to a range of circumstances.

The Audit team will:

- Follow the directions of and support 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
- Assist with the preparation of Audit Reports.

All Auditors must:

- Be independent
- Be RJC Accredited and trained
- Have knowledge of practices, processes and equipment typical of the Member's business
- Perform in accordance with the following five principles as identified by ISO 19011:2002.

**1. Ethical Conduct:** the foundation of professionalism.

Trust, integrity, confidentiality and discretion are essential to assessments and audits.

**2. Fair presentation:** the obligation to report truthfully and accurately.

Assessment findings, conclusions and reports reflect truthfully and accurately the Member's practices. Significant obstacles encountered during the Assessment and unresolved diverging opinions between the Auditors and the Members are reported.

**3. Due professional care:** the application of diligence and judgement in assessments.

Auditors exercise competence and care in accordance with the importance of the task they perform and the confidence placed in them by the Member and the RJC.

**4. Independence:** the basis for the impartiality of the Assessment and objectivity of the Assessment conclusions.

Auditors are independent of the activity being assessed and are free from bias and conflict of interest.

**5. Evidence based approach** – the rational method for reaching reliable and reproducible conclusion in a systemic Assessment process.

Auditors maintain an objective state of mind throughout the Assessment process to ensure that the findings and conclusions will be based only on the Objective Evidence. Objective Evidence is verifiable. It is based on samples of the information available, since an Assessment is conducted during a finite period of time and with finite resources. The appropriate use of sampling is closely related to the confidence that can be placed in the conclusions.

The fundamental objective of these principles being applied is that different Auditors working independently from one another should be able to reach similar conclusions in similar circumstances.

### 8.7.3 USE OF TOPIC EXPERTS

Audit teams may benefit from the use of Topic Experts that can assist with specific subject matter expertise relevant to the audit scope. RJC plans to make a list of Accredited Topic Experts available on the RJC website.

Note that any person (including personnel, external consultants or advisers) involved in the Self Assessment or in the development of systems for the Member cannot be part of the audit team, as this represents a conflict of interest.

## 8.8 *Develop the Audit Plan*

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Audits require clear direction and focus which means that planning is vital to ensure the success of the process.

Once the Lead Auditor has established the Audit Scope, time requirements and has selected the audit team, the audit activities need to be carefully documented in an Audit Plan, and agreed with the Member.

An Audit Plan is used to outline what activities will be reviewed, by whom and when, in which organisational areas and involving which personnel. Typically the layout of such timetables is in a table format with the expected times for activities being scheduled, and should include:

- Audit objectives and scope
- Dates, places and times of Audit
- Name(s) of Auditor(s)
- Identification of the Member's business practices and the facilities to be assessed
- Expected time and duration for each major activity
- Personnel (or functional roles) to be interviewed. The number individuals required for interviewing will vary based on total number of Employees, Risks and nature and scale of activities.
- Meetings scheduled to be held with Member business management, other Employees and/or Contractors and nominated RJC coordinator
- Time to revisit and review information
- Times for miscellaneous activities such as inductions and breaks
- Likely documentation to be reviewed.

The Audit Plan should be designed to be flexible enough to both permit changes in emphasis based on information gathered during the Audit and to effectively utilise available (Member's and Auditor's) resources.

The Audit Plan should be planned logically, to create minimum disruption to the normal business processes and yet build a sequence of Objective Evidence necessary to verify the degree of Conformance with the RJC Standard.

The Audit Plan should be presented to the Member at least two weeks prior to the commencement date of the Audit. This will provide the Member with an opportunity to prepare, and where necessary, suggest an alternative timing or order of proceedings such that it minimises disruption to the Member's business. However, the Audit Scope and objectives set by the Auditor cannot be changed.

Appendix 6 contains a template Audit Plan.

## 8.9 *Co-ordinating the scheduling of auditing*

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Further to RJC's support for harmonisation and the recognition of existing certifications (see section 3.2), a Member and the Auditor may choose to plan the Audit to occur alongside audits for other similar standards, so as to minimise reduce costs.

However, the integrity of the RJC Certification shall not be compromised and the RJC's Audit objectives must be met.

## 8.10 *Finalise Audit Plan with the Member*

Once the Audit Plan is complete, the Lead Auditor shall contact the Member's RJC Coordinator and confirm arrangements and details for the Audit. These details include:

- Audit objectives and scope
- Date and time of Audit
- Name(s) and qualifications of Auditor(s)
- Audit Plan
- Availability of interviewees
- Availability of Objective Evidence
- Invitation to senior management to attend both entry and exit meetings
- Request for guides to be available to accompany the Auditor(s)
- Request for office facilities including space and meeting rooms to be made available to conduct interviews and for the Auditors to review information
- Request to advise all staff of Audit arrangements
- Requirements for any special personal protective equipment for the Auditors visiting facilities
- Time requirements for inductions and introductions.

## 8.11 *Opening Meeting*

Upon arrival, the first activity is an opening meeting. The purpose of an opening meeting is to:

- Introduce the audit team to the representatives of the Member business
- Confirm briefly the purpose and scope of the Audit
- Review the timetable and agenda
- Provide a short summary of the methods and procedures to be used to conduct the Audit
- Arrange for guides to accompany the audit team, as required
- Explain the confidential nature of the Audit process
- Answer questions from the Member's personnel present at the meeting.

The names of those present should be recorded.

## 8.12 *The Audit Process*

This is the process of obtaining and evaluating Objective Evidence, which will involve inspections, verifications, or a review of activities, to determine whether the Member business practices comply with the requirements of the relevant Provisions of the RJC Standard.

Use the Audit Plan to guide the process. An experienced Auditor may not necessarily follow a step-by-step approach but will have the ability to look at all of these aspects of the system at once.

Record specific details of all Objective Evidence collected. Information obtained can include hard or softcopy documentation, forms, records, verified statements of fact or observations relevant to the Audit.

The process of gathering Objective Evidence involves interaction with people as well as technical skill. Strong communication, questioning, listening and observation skills become ineffectual if the wrong information is gathered. Remember that Members may not always be accustomed to formal audits and some Employees and Contractors may be apprehensive.

### KEY ACTIVITIES FOR THE AUDITOR:

- Remember to verify the Certification Scope – does it cover all part of the Members business it owns or controls that actively contributes to the diamond, gold and platinum group metals supply chain?
- Verify the explanation given for any Provision/s the Member has stated as being Not Applicable.
- Record all Objective Evidence so this it is clear and unambiguous.

## 8.13 *Evaluation of the Results*

The gathering of Objective Evidence serves as the basis upon which the Audit team determines conformance with the RJC Standard. Upon completion of the Audit, the observations and findings made during the Audit are evaluated.

The purpose of this step is to assimilate and integrate the findings and observations of each team member and then to determine the level of Conformance with each Provision tested by the Audit plan.

Typically, this is done through periodic meetings of the audit team prior to the completion of the audit and, finally, when the auditors have ceased interviewing and examining and the team gathers for a final auditor's conference. Here, findings and observations can be organised to determine whether there are common findings that, when viewed as a group, may have greater significance than they do individually.

For example a group of related, repetitive or persistent Minor Non-Conformances may indicate a Member-wide systemic failure or total lack of required controls and this may justify raising a Major Non-Conformance. In evaluating audit findings, the Audit team, under the direction of the Lead Auditor, develop a consensus to establish the Member's level of conformance with the applicable RJC Standard.

### DOES A LACK OF OBJECTIVE EVIDENCE RESULT IN A NON-CONFORMANCE?

A lack Objective Evidence does not necessarily mean a non-conformance.

For example, a Member may have developed a procedure but the need to use it has not yet occurred. Therefore, records or evidence that would be generated by that procedure do not yet exist. This does not automatically constitute a non-conformance.

Typically, an Auditor will note this in the report and flag this procedure for review during a future Audit. An Auditor can of course establish whether the procedure as written meets the requirements of a Provision. What the Auditor cannot do is determine its implementation effectiveness.

However, where Objective Evidence is known to exist but it cannot be located for instance because of poor record keeping practices, then a non-conformance can be raised.

## 8.14 *Log of Non-Conformances*

All Non-Conformances must be established in accordance with the requirements and guidance provided in section 5.5 are presented at the close out meeting (see section 8.17) and also recorded in the Audit Report (see section 8.21).

### TIPS FOR DOCUMENTING NON-CONFORMANCES:

It is good practice to adopt the following principles 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 use criticism
- Give, where relevant and related, regulatory or external references
- Avoid contradictory messages
- Review the non-conformances with the Member to ensure the facts are correct and fair.

## 8.15 *Making Recommendations and Suggested Business Improvements*

Based on their experience, Auditors may also offer recommendations to Members about how to correct Non-Conformances or Suggested Business Improvements about practices which conform but could be conducted differently or more efficiently.

Recommendations and Suggested Business Improvements are purely for informative purposes only, their implementation is not mandatory, and must be offered without prejudice. The Member is under no obligation to accept and/or implement these recommendations and Suggested Business Improvements. Subsequent Audits shall not judge performance based on the implementation of these Suggested Business Improvements.

It is ultimately the responsibility of the Member to establish and implement corrective actions.

### **A SUGGESTED BUSINESS IMPROVEMENT IS:**

A situation where the systems, procedures and activities are in Conformance with the relevant Provisions of the RJC Standard, but where an Assessor or Auditor determines that there is scope to improve these current processes. A Suggested Business Improvement is offered without prejudice, and its implementation is not mandatory. Subsequent Assessments shall not judge performance based on the implementation of a Suggested Business Improvement.

## 8.16 *Establishing the Requirement for the Code of Practices Mid-Term Review*

In 2013, the RJC introduced Mid-Term Reviews for Certification against the revised Code of Practices. A Mid-Term Review may be required on a risk-basis to provide assurance that the Member continues to conform with the RJC Code of Practices.

When evaluating findings from the initial Certification Audit and at each Re-certification Audit, Auditors must determine the need for and type of Mid-Term Review using the criteria in Table 13.



**TABLE 13: CRITERIA FOR DETERMINING THE REQUIREMENT FOR AND TYPE OF MID-TERM REVIEW (COP ONLY).**

Mid-Term Review not usually required if one or more of the following is true:	Remote Desktop Mid-Term Review is required if one or more of the following is true:	On site Mid-Term Review is required if one or more of the following is true:
<ul style="list-style-type: none"> <li>• No anticipated changes to the Certification Scope during the Certification Period.</li> <li>• Member has &lt; 25 full time equivalent personnel.</li> <li>• Low risks of changes to current conformance levels and strong management controls.</li> <li>• During the Certification Period, there are: <ul style="list-style-type: none"> <li>– parallel audit programs for equivalent recognised schemes (e.g. De Beers BPP, or 3<sup>rd</sup> party independent certification to SA8000, OHSAS 18001 and/or ISO14001); and</li> <li>– rigorous internal audit programs conducted by personnel auditing areas independent of their normal work areas; and</li> <li>– strong internal controls for the management, closure and effective review of corrective actions for non-conformances.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Any change to the Certification Scope does not affect risk of changes to current conformance levels.</li> <li>• The Certification Audit identified 2 or less Minor NCs for Critical Provisions; or 4 or less Minor NCs in total (that are not covered by a parallel audit programme listed in Table 2) for: <ul style="list-style-type: none"> <li>– any non-Mining Sector Member, or</li> <li>– an individual Mining Facility, if the Member is in the Mining Sector.</li> </ul> </li> <li>• And the Auditor can review progress on corrective action against non-conformances within 12-24 months because: <ul style="list-style-type: none"> <li>– The actions can be verified remotely through the provision by the Member of Objective Evidence via documentation and similar; and</li> <li>– No risk to Critical Provisions.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Known and anticipated changes to Certification Scope during the Certification Period.</li> <li>• Member no longer supports the recognised external standards and initiatives listed in Table 2: Recognition of Existing Certifications.</li> <li>• The Certification Audit identified 3 or more Minor NCs for Critical Provisions; or 5 or more Minor NCs (that are not covered by a parallel audit programme listed in Table 2) for: <ul style="list-style-type: none"> <li>– any non-Mining Sector Member, or</li> <li>– an individual Mining Facility, if the Member is in the Mining Sector.</li> </ul> </li> <li>• New systems and controls for Critical Provisions that could not be tested at the Certification Audit.</li> <li>• Facilities with risk of non-conformances against Critical Provisions.</li> <li>• Other compelling reason presented by the Lead Auditor.</li> </ul>

Criteria in columns 2 and 3 in the above table will usually override the criteria in the columns preceding them.

The decision on the requirement for a Mid-Term Review must be documented in the Audit Reports to RJC. Where a conflict arises between the Member and the Auditor relating to the Mid-Term Review, inquiries can be raised with the RJC, and where required can be resolved in accordance with the RJC Complaints Mechanism (see section 11).

## 8.17 *Closing or Exit Meeting*

A closing or exit meeting to verbally present preliminary findings and recommendations to the Member shall be conducted before the Auditors depart.

The meeting should be used as a final opportunity to:

- Seek acknowledgement and understanding from the Member regarding the findings, non-conformances
- Answer any questions
- Discuss misunderstandings and/or clarify points of difference
- Provide an overview of the follow-up steps
- Communicate that the Auditor shall issue a detailed report at a later date which documents the overall findings
- Communicate the need for a Mid-Term Review, if required (COP only)
- Explain that the Auditors will also provide a Report and Statement of Conformance to the RJC.

The names of those present should be recorded.

## 8.18 *Approving a Corrective Action Plan for Code of Practices Major Non-Conformances*

As noted previously (see Table 7), Members undergoing Certification to the Code of Practices must develop appropriate Corrective Actions for all Major Non-Conformances identified during an Audit. These must be documented in a Corrective Action Plan and submitted to the Lead Auditor within 1 month of the Audit.

When approving the Corrective Action Plan, the Lead Auditor must take into account and verify that the proposed actions address the root cause of the Non-Conformance to prevent a recurrence of the finding. Also, actions must be realistic, 'fit for purpose' and wherever possible, completed within the 1 year Certification period. In situations where actions required to treat the underlying cause of the Major Non-Conformance require more than one year, interim short term Corrective Actions must be established. These must mitigate the effects of the events which lead to the non-conforming finding, until the long term and more permanent solution can be implemented.

Where a conflict or dispute arises regarding the approval of a Corrective Action Plan, the RJC Management Team may enter into discussions about the nature and timing of Corrective Action.

## 8.19 *Statement of Conformance*

Having evaluated the findings, the Auditor must then complete the Statement of Conformance form shown as Appendix 7. The Statement of Conformance replaces the previous 'Certification Recommendation' under the 2009 Code of Practices and Chain-of-Custody Standard and includes:

- Member Name
- Date of the Audit
- RJC Standard
- Audit Type
- Statement of conformance relating to the nature of the findings
- Need for Periodic Reviews (COP only)
- Confirmation about the conditions under which the audit was conducted that is signed by the Lead Auditor.

The Statement of Conformance must be included in the RJC Audit Report (see section 8.21.1) and the Member Audit Report (see section 8.21.2).

Note: A template of the Statement of Conformance is also available in the Assessment Workbook (COP) and in the Assessment Toolkit (CoC).

### **WHEN COMPLETING THE STATEMENT OF CONFORMANCE, THE LEAD AUDITOR SHALL CONSIDER:**

- The effectiveness of the Member's business practices and controls in meeting the Provisions of the RJC Standard;
- The number and seriousness of the individual non-Conformances found during the Audit;
- Positive improvements in performance, and major achievements and milestones that relate to the RJC Standard;
- The capacity to clearly demonstrate commitment to Continual Improvement.

## 8.20 *Monitoring and Evaluation Data*

The RJC has a Monitoring and Evaluation (M&E) program which is designed to meet the ISEAL Impacts Code 2010 and aims to assess the impact of RJC Certification. More information on the RJC M&E program can be found on the RJC website.

Self Assessments and subsequent Audit reports provide one mechanism to collect data for the RJC M&E program. Relevant data must be sent to RJC alongside the RJC Audit Report using the template included in the Assessment Workbook (which allows for efficient data import and analysis). Data includes:

- Details about the Facilities and the Business Activities as defined in the Certification Scope
- List of applicable Provisions
- Statistics about non-conformances including reference to the Provision and underlying causes using the following categories:
  - Missed or unknown legal requirements
  - Non-compliance with Applicable Law
  - Departure from procedure or defined process
  - Incomplete or missing documentation
  - Ineffective risk identification and assessment
  - Ineffective, incorrect or missing controls
  - Poor control of documents or records
  - Ineffective organisational structure
  - Inadequate training
  - Lack of resources, time or capacity
- Details of non-conformance raised during the previous audit indicating which are closed, and the progress for those still open
- Percentage of closed corrective actions implemented and completed on time
- Details of conformance with Other Relevant Certifications or Initiatives such as but not limited to:
  - SA 8000:2008
  - ISO14001:2004
  - OHSAS 18001:2008
  - De Beers Best Practice Principles (BPP) Program
  - EICC Smelter/Refiner Validation
  - Dubai Multi Commodities Centre (DMCC) Practical Guidance and Review Protocol
  - London Bullion Market Association (LBMA) Responsible Gold Guidance
  - World Gold Council Conflict-Free Gold standard.

## 8.21 *Reporting*

The primary activity at the end of each audit is to document the findings into a report.

An audit report summarises the audit team's findings and conclusions as to the status and effectiveness of the Member's systems and practices in meeting the relevant Provisions from the RJC Standard for which the Member is seeking to obtain or maintain Certification.

The Lead Auditor, together with the Audit Team, prepares the report and ensures that the statements made are fair, complete and true. Audit reports must be written in clear, concise, unambiguous language and include a Statement of Conformance. Two audit reports are prepared:

- RJC Audit Report including a Statement of Conformance
- Member Audit Report.

It is suggested that a draft is completed within 2 – 3 weeks from the final date of the Audit (or within a period as agreed with the Member). The RJC cannot process a Member's Certification until the RJC Report has received its report and any omissions, clarifications or other issues identified by RJC have been resolved by the Auditor.

The content and distribution process for each report is described in the following sections.

### 8.21.1 RJC AUDIT REPORT

The Lead Auditor prepares the RJC Audit Report to be submitted to the RJC. The report must give a detailed account of the audit, listing the areas which were found to be satisfactory and those which were not found to be in conformance with Provisions in the RJC Standard. It must include the Statement of Conformance (see section 8.19) and sufficient information to:

- process the Member's Certification including issuing a Certification Number publishing the Certification Period
- enable the RJC to confirm that the audit process and findings are consistent with the instructions to auditors in the Assessment Manual
- allow traceability in the event, for example, of a dispute, peer review or for planning for the next audit.

For Code of Practices only, the RJC Audit Report must also include the Monitoring and Evaluation Data described in section 8.20.

A full listing of the minimum mandatory content for the RJC Audit Report is provided in Appendix 8.

The RJC Audit Report must be written in English.

### 8.21.2 MEMBER AUDIT REPORT

Auditors shall also prepare a Member Audit Report. The main difference between the Member Audit Report and the RJC Audit Report is that it enables any additional confidential, security-related or commercially sensitive information that may be relevant to internal reviews of business improvements to be reported to the Member. For additional information about the Member Audit Report content, see Appendix 8.

The Member Audit Report may be prepared in any language as agreed between the Member and the Auditor.

#### QUICK CHECKLIST FOR AUDITORS

- Verify the Certification Scope
- Review related companies, if applicable (COP only)
- Approve Corrective Action Plans for Major Non – Conformances (COP only)
- Determine the need for a Mid-Term Review (COP only)
- Complete the RJC Audit Report, and Statement of Conformance
- Complete the Member Audit Report.

# 9 RJC GOVERNANCE AND SUPPORT PROCESSES

**Find out: How the RJC governs and supports implementation of RJC Certification programs.**

## 9.1 *Issuing RJC Certification and Publishing Information on the RJC Website*

On receipt of the Audit Report from the Auditor, RJC will initiate the Member Certification process. This process involves:

- Confirm the competence of the Auditor(s) against the accredited auditor register
- Confirm that the Member's RJC membership is in good standing with regard to its general commitments of RJC Membership
- Review the Report and confirm that the audit process and findings are consistent with the instructions to auditors in the Assessment Manual
- Document the Certification Scope and relevant details about the Member including the name and geographic location/s of the certified Member, the date Certification becomes effective and expires, and hence when re-assessment is due; and the RJC Standard (including issue number and/or revision) used as the criteria for the Audit
- Issue formal documentation and information to the Member, including:
  - A unique certification number to the Certified Member (for COP) or Entity (for CoC)
  - Conditions for use of the RJC logo and related intellectual property.
- Record the Member's certification status on the RJC website. Public documentation will include:
  - The name of the Member/Entity and Certification number
  - The Certification Period and expiry date, and the schedule for any Mid-Term Review/Surveillance Audit required
  - Statement of Conformance
  - For COP Certification, a summary of Applicable provisions and details of any Provenance Claims
  - For CoC Certification, the CoC Materials that it covers (Gold and/or Platinum Group Metals).

### **Is the COP Certification Number different than the CoC Certification Number?**

Yes. The two Certifications are against different standards and can also have a different Certification Scope for each.

The COP Certification is granted to a Member as a whole, covering all Facilities it owns or controls and that contribute to the diamond, gold and platinum group metals supply chain, as defined within the COP Certification Scope.

CoC Certification only applies to the selected list of Facilities and the CoC (Gold and/or Platinum Group Metals) as nominated by the Entity seeking CoC Certification. The Entity needs to be itself, or part of, a RJC Member.

Each RJC Certification or Re-Certification Audit will have a different Certification number to enable tracking of successive Certification Status. The history of all RJC audits and Certification Numbers for each Member will be maintained on the RJC website.

## 9.2 *Process for Safeguarding Impartiality and Quality Control*

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The RJC has implemented processes to ensure the quality and integrity of the Certification processes. These processes include:

- Provision of standardised processes and terminology to Members and Auditors for carrying out Self Assessments and Audits
- Requirements to identify any potential conflicts of interest
- Guidance on RJC Standards and Certification
- Training and support for Members and Auditors
- Peer reviews of auditing quality.

There is also a strong reliance on the Accredited Auditors own checks and quality control processes, which is the reason why the RJC accredits firms that:

- Are themselves independently accredited to internationally recognised standards for Conformity Assessment Bodies (CABs), or can demonstrate conformance independently
- Have internal systems for managing auditor qualifications and quality
- Have internal systems for verifying findings
- Have clear processes for dealing with clients with professionalism and integrity.

Periodic reviews of the certification and decision making activities are carried out to ensure that integrity and impartiality of the process is not compromised. Accredited CABs and Auditors may be subject to impromptu witness audits and reviews by independent peers assigned by the RJC as part of the RJC's quality control processes.

The findings of the quality checks and reviews may prompt the need for refresher training and/or the implementation of other RJC controls designed to maintain the credibility of the RJC System. In some cases, it may result in sanctions and disciplinary proceedings against Members or Auditors triggered by actions or omissions that affect the integrity of the RJC Standards. Sanctions include revoking an Auditor's Accreditation status or a Member's Certification (see section 11).

## 9.3 *Labelling and Marketing*

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Certified Members and Entities will be entitled to promote their certification status to other parties including final consumers. Details about RJC Members including industry sector, Certification Status and details of Provenance Claims are listed on the RJC website.

Members of the RJC are entitled and encouraged to use the RJC logo. Certified Members receive a Certification Stamp corresponding to the certified RJC Standard. The RJC logo and/or Certification Stamp may be used in any valid representations about the certified Member and/or Entity.

Members must not use the RJC logo or Certification number in a manner 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.

Note that RJC Code of Practices Certification alone does not entitle Members to use the RJC logo on products. Rules relating the use of the RJC logo or Certification number are provided to RJC Members on achieving certification.

## 9.4 *Reminder Notifications to Members*

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RJC will issue reminder notifications to Members for pending deadlines relating to the following scenarios:

- Certification to the RJC Code of Practices which must be achieved within 2 years of joining.
- Re-Certification pending expiry of the current Certification Period.
- Members required to carry out a Mid-Term Review (COP only) or a Surveillance Audit (CoC only).
- Where a Member is not required to undergo a Mid-Term Review, the RJC will send a notification requesting that the Member confirm that the conditions for which a Mid-Term Review was not deemed to be required continue to be valid.

## 9.5 *Data Confidentiality*

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The confidentiality of Members' commercially sensitive information is paramount and a core commitment for the RJC (see RJC policies at <http://www.responsiblejewellery.com/policies/>).

Key points about how RJC maintain data and information confidentiality are summarised below:

- The RJC Management Team will access information about Members and their Facilities provided in:
  - An application for the purposes of becoming a Member
  - Audit Reports for the purposes of Certification
  - Any investigations required under the RJC Complaints Mechanism.
- Any commercially sensitive information will be kept strictly confidential within the RJC Management Team
- All information will be maintained securely by the RJC Management Team and will not be exchanged or disseminated to any third party except for the information which is published on the RJC website (see section 9.1)
- For CoC Certification, the identity of Outsourcing Contractors which are audited as part of an Entity's Certification Scope can be withheld from the Entity's CoC Certification Information published on the RJC website, at the Entity's or the Contractor's request.

## 9.6 *Training and Support*

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The RJC will provide web-based delivery of information resources and training to all Members and Accredited Auditors. The RJC may also organise additional face-to-face information sessions and workshops.

The RJC will work to develop best practice case studies and other forms of peer support. These may be supported by the RJC and/or other organisations, and may include workshops, seminars, emailed briefs, inter-Member support and additional online resources.

If there are any questions regarding available training and support, contact the RJC Management Team for guidance: [info@responsiblejewellery.com](mailto:info@responsiblejewellery.com)

# 10 CHANGES AND VARIATIONS

**Find out: How Members and Auditors should deal with changes and variations that may arise.**

## 10.1 *Changes Types*

Some changes, whether permanent, temporary, or incremental, may be relevant to the integrity of the Certification program. Changes that must be reported to the RJC include any changes to:

- RJC Membership Certification Scope
- Chain of Custody Certification Scope
- Accredited Auditors experience, capacity and scope of services.

## 10.2 *Code of Practice Certification Scope Changes*

The Certification Scope may change if there is a change to the Member's business, such as:

- Organisational restructure
- Divestments and acquisitions or change to the equity share of businesses related to the supply chain
- Changes to activities, products and processes, including Provenance Claims
- Changes to the locations and distribution of the Member's facilities
- External influences such as changes in the statutory environment, regulations and/or other stakeholder expectations and commitments that affect the organisation.

The RJC must be notified of changes to the Member's business that differs from the published Certification Scope, in case of stakeholder enquiries. The Member must also re-re-assess their business in light of the changed Certification Scope to prepare for the next scheduled audit, which will either be a Recertification Audit or a Mid-Term Review. The Assessment Workbook, or equivalent, can be used for this purpose.

Some changes may over-ride the reasons for not previously requiring a Mid-Term Review, and in this case one will need to be scheduled to review the implications of the changes to the Member's Certification status. The Mid-Term Review can therefore be used to update the Member's Certification Scope to accommodate the change. A Mid-Term review can also be sought by a Member to address any changes to Provenance Claims made that a Member wishes to have independently assured and published on the RJC website.

## 10.3 *Chain of Custody Certification Scope change*

If during the Certification Period the Member/Entity wishes to add Facilities, Outsourcing Contractors, types of Materials to the Certification Scope, or intention to issue Eligible Material Declarations, a new Certification Audit will be required for the added elements. The dates of the original Certification Period will continue to apply if these changes are addressed via a Surveillance Audit. Depending on the structure of its business, the Member could also seek CoC Certification for a separate Entity under its Control, for which a separate Certification Period would apply.



## 10.4 *Changes to Accredited Auditor's Scope and Capacity*

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Accredited Auditors must inform the RJC of any changes to its organisation that may affect their Accreditation scope, capacity and competence to conduct independent Audits. Changes may include changes to:

- personnel (employees and contractors and sub-contractors)
- company names
- geographic location
- status of existing Accreditation to ISO/IEC 17021 or other management system certification schemes such as (ISO 14001, SA 8000, OHSAS 18001 and ISO 9001).

The Accredited Auditor may also apply to have its Accreditation scope expanded, where it can demonstrate the ability to do so. Expansions include the addition of new Auditors covered by Accreditation status.

# II COMPLAINTS MECHANISM AND DISCIPLINARY PROCEDURES

## II.1 *RJC Complaints Mechanism*

The RJC aims to ensure the fair, timely and objective resolution of complaints relating to potential non-conformance with RJC Certification or with the RJC's own policies and procedures. Where complaints arise, it is a condition of participation in RJC activities for RJC Members and Accredited Auditors to submit to the RJC Complaints Mechanism, and to be bound by the decisions of the RJC. However this does not replace or limit access to judicial remedies.

Full documentation supporting the RJC Complaints Mechanism can be downloaded from [www.responsiblejewellery.com](http://www.responsiblejewellery.com)

## II.2 *Triggers for disciplinary proceedings*

The RJC is committed to ensuring the proper implementation of the RJC Certification programs amongst its Members and maintaining the integrity of the auditing activities carried out by accredited Auditors. Disciplinary proceedings for Members or Accredited Auditors may arise from a lack of performance against the system, the result of a complaint, or other material issues drawn to the attention of the RJC Management Team. Triggers for disciplinary proceedings may include:

- Audits under the RJC system not complete by the deadlines specified in this Manual such as those by Audit type (see Table 3)
- Critical breaches identified by an Auditor
- Major or repeated non-conformances that are not satisfactorily addressed by the Member
- Agreed and reasonable timeframes for corrective action not met
- Deceptive or otherwise improper auditing
- Knowingly providing false, incomplete or misleading information to the RJC or an Auditor
- Judgements by a court of law, or other legal or administrative regulatory body, on issues relating to the RJC Standard
- Outcomes of complaints investigated via the RJC Complaints Mechanism
- Otherwise bringing the RJC into serious disrepute.

## II.3 *Confidentiality and Legal Advice*

Disciplinary proceedings will be treated with confidentiality and decisions will be based on Objective Evidence. The RJC Management Team may seek independent legal advice or the involvement of independent Auditors to assist with the investigation and decision.

## II.4 *Disciplinary procedures*

Procedures for disciplinary proceedings against Members are laid out in the RJC's Articles of Association. Similar procedures will apply for proceedings against Auditors. In summary, the main steps include:

- Grounds for disciplinary action are brought to the attention of the RJC CEO
- Full investigation is undertaken by the RJC Management Team or its agents. Any agent of the RJC will be bound by a confidentiality agreement
- The CEO reports the findings to the RJC Executive Committee with a recommendation for disciplinary action or dismissal of the proceedings
- The RJC Executive Committee shall by a majority vote of those Members present and entitled to vote, deem it sufficiently proven to justify taking disciplinary action against the Accused Member
- The RJC Executive Committee will direct the CEO to prepare and provide to the Accused Member a written Statement of Objections as to the conduct of the Accused Member

- The Accused Member may, within 30 days of receipt of the Objections, submit to the CEO a written response to the Objections
- On receipt of a response, or the expiry of the response period, the RJC Executive Committee shall request the Directors of the RJC to convene a meeting of the RJC Board to consider and vote on the proposed disciplinary action against the Accused Member
- Both the Accused Member and the Chairman of the RJC Executive Committee may make oral representations based on the Objections and the Objections Response
- Motions on Disciplinary Resolution will require a vote by secret ballot. To be passed, such resolutions require three-quarters of the votes of the Directors present and entitled to vote.

All individuals involved in a disciplinary procedure shall be free of any conflict of interest. RJC Executive Committee Members or RJC Board Directors who are officers or employees of the Accused Member, or represent Members at the same level of the supply chain as a Member complained of, will not be allowed to vote on any particular course of action involving that Member.

## 11.5 *Disciplinary outcomes*

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If the outcome of due process is a decision to apply sanctions, these may include:

- For Members: temporary or permanent loss of membership of the RJC
- For Auditors: temporary or permanent loss of accredited standing to conduct independent Audits.

## 11.6 *Final appeal*

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Members or Auditors subject to disciplinary action have the right, within three months of notification of the decision, to refer any dispute arising out of disciplinary proceedings for final appeal and resolution by independent arbitration. The arbitral tribunal will consist of a sole arbitrator to be appointed by the President of the London-based Chartered Institute of Arbitrators.

# 12 REFERENCES

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IAF GD 24:2009 Guidance on the Application of ISO/IEC 17024:2003

IAF MD 5:2013 Duration of QMS and EMS Audits

ISEAL Impacts Code, 2010

ISO/IEC 17000. Conformity assessment – Vocabulary and general principles.

ISO/IEC 17011. General requirements for Accreditation bodies accrediting conformity assessment bodies.

ISO17021: 2006. Conformity assessment – Requirements for bodies providing audit and Certification of Management Systems.

ISO17024: 2003. Conformity assessment - General requirements for bodies operating Certification of persons.

ISO 19011. Guidelines for quality and/or environmental Management Systems auditing

Military Standard 105D (Sampling Procedures and Tables for Inspection by Attributes)

SA 8000 Social Accountability Standard.

# APPENDIX I

## APPLICABILITY OF RJC STANDARDS BY SECTOR

Table 14 and Table 15 below provide a breakdown of the required, optional (where applicable), and non-applicable Provisions of the Code of Practices and the Chain of Custody Standard according to the Member's type of business. This breakdown is not definitive, and exceptions may occur. The Certification Scope will define which Provisions apply.

**TABLE 14: APPLICATION OF CODE OF PRACTICES STANDARD PROVISIONS BY SECTOR**

Section	Miners	Refiners	Miners	Refiners	Retailers Trader 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 and Human Rights	5 Business Partners	5.1	Required			
		5.2	If Applicable			
	6 Human Rights	6.1	Required			
		6.2	If Applicable			
	7 Sourcing from Artisanal and Small-Scale Mining		If Applicable			
	8 Community Development		Required			
	9 Bribery and Facilitation Payments	9.1, 9.2	Required			
		9.3	If Applicable			
	10 Money Laundering and Finance of Terrorism	10.1	Required			
		10.2	If Applicable			
	11 Security	11.1, 11.2	Required			
		11.3	Required	Not applicable		
		11.4	Not applicable			If Applicable
	12 Provenance Claims		If Applicable			

Section	Miners	Refiners	Miners	Refiners	Retailers Trader Manufacturers	Service Provider
Labour Rights and Working Conditions	13 General Employment Terms		Required			
	14 Working Hours	14.1	Required			
		14.2	If Applicable			
		14.3, 14.4	Required			
	15 Remuneration		Required			
	16 Discipline and Grievance Procedures		Required			
	17 Child Labour	17.1	Required			
		17.2	Required			
		17.3	If Applicable			
	18 Forced Labour		Required			
	19 Freedom of Association and Collective Bargaining	19.1	Required			
		19.2	Required			
		19.3	If Applicable			
	20 Non-Discrimination		Required			
Health, Safety and Environment	21 Health and Safety	21.1 to 21.9	Required			
		21.10	Not applicable			If Applicable
	22 Environmental Management		Required			
	23 Hazardous Substances		Required			
	24 Waste and Emissions		Required			
	25 Use of Natural Resources		Required			
Diamond, Gold and Platinum Group Metals	26 Product Disclosure	26.1	Required			
		26.2	Required			
	27 KPCS and WDC SoW		Required			
	28 Grading and Appraisal		If Applicable			

Section	Miners	Refiners	Miners	Refiners	Retailers Trader Manufacturers	Service Provider
Responsible Mining Provision	29 Extractive Industries Transparency initiative		Required		Not Required	
	30 Community Engagement		Required		Not Required	
	31 Indigenous Peoples and FPIC	31.1	Required		Not Required	
		31.2, 31.3	If Applicable			
	32 Impact Assessment		If Applicable		Not Required	
	33 Artisanal and Small-scale Mining		If Applicable		Not Required	
	33 Resettlement		If Applicable		Not Required	
	35 Emergency Response		Required		Not Required	
	36 Biodiversity	36.1 to 36.4	Required		Not Required	
		36.5	If Applicable			
	37 Tailings and Waste Rock		Required		Not Required	
	38 Cyanide		If Applicable		Not Required	
	39 Mercury		If Applicable		Not Required	
	40 Mine Rehabilitation and Closure		Required		Not Required	

TABLE 15: APPLICATION OF CHAIN OF CUSTODY STANDARD PROVISIONS BY SECTOR

Section	CoC Standard Provisions	Miners	Refiners	Retailers Traders Manufacturers
Chain-of Custody	1. Management Systems	Required		
Management	2. Internal Material Controls	Required		
	3. Outsourcing Contractors	If applicable		
Systems to Confirm Eligibility of Material	4. Eligible Mined Materials	Required	Not applicable	
	5. Eligible Recycled Materials	Not applicable	Required	If applicable
	6. Eligible Grandfathered Materials	Not applicable	If applicable	
Issuing Chain of Custody Documentation	7. Eligible Materials Declarations	Required		If applicable
	8. CoC Transfer Documents	Required		
	9. Consumer Claims and IP	If applicable		
Conflict- Sensitive Sourcing	10.1 Supply chain policy	Required		
	10.2 Policy non-compliance	If applicable	Required	
	10.3 Complaints Mechanism	Required		
	10.4 Gold Refiners	Not applicable	Required	Not applicable



[illegible]

# APPENDIX 3

## *Examples of Records and Documentary Evidence*

There are numerous sources of information available to the Auditor that can assist with the task of verifying Conformance with the relevant RJC Standard. Documentation may only be required where its absence would lead to a deviation from the business' intent. Documentation where it exists that can be reviewed includes, but is not limited to, the following:

### 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 Instrumentations Diagrams (P&IDs)
- Operating procedures
- Raw material, product and packaging lists
- Intermediates produced production routines
- 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 & conditions of employment
- Employee files (including employment application, discipline letters, etc.)

- Employee handbooks
- Proof of age documentation (copies of identification cards, birth certificates, medical clearance, etc.)
- Employee benefits.

## FACILITY POLICIES AND PROCEDURES

- Internal operating policies and procedures
- Business licenses
- Maintenance and Health license
- Wage and hour policies
- Employment at-will policy
- Anti-discrimination policy
- Employee/Management grievance policy
- Freedom of association policy
- Any other government license, certificates of operation, etc.

## PAYROLL DOCUMENTS

- Payroll records for peak and non-peak seasons
- Time records or other work hour support
- 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.)
- HAZID & HAZOP studies
- Life Cycle Assessments
- Community related initiatives such as regular meetings and stakeholder participation programs.

## ENVIRONMENTAL

- 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 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;
- Transfer of wastes;
- Storage;
- Treatment methods;
- Destination/disposal;
- Waste reduction and recycling programs.

## HEALTH & 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

## *Guidelines for 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. The English language contains over 600,000 words of which the average person uses some 2000. The most common 500 words have on average 28 different meanings. Unless the Auditor takes time to clarify and verify findings, there is potential for inaccurate results.

### EFFECTIVE QUESTIONING

There are a number of questioning techniques that can be employed to open discussions, accumulate data, promote involvement, determine understanding and keep discussions on track. Such questions include the following:

- Open questions                      Used to get the auditee talking
- Probing questions                  Used to uncover core issues
- Challenging questions            Used when answers contradict, 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

The following tips describe effective questioning techniques:

- 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.

### EFFECTIVE LISTENING

Communication is a two way process and there is a requirement to listen as well as speak. Listening involves more than simply hearing what has been said. Effective listening can be actively promoted as follows:

- 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 which is enhanced by summarising what the auditee has said and then repeating it back.

## EFFECTIVE OBSERVATION

The more familiar one is with a subject, the less observant or careful one tends to be. This is why most accidents happen near or at home. It is important for an Auditor not to become complacent, nor to allow pre-conceived ideas and assumptions to influence and observation. Always verify understanding of what has been observed. Observations must be substantiated with Objective Evidence.

## GENERAL AUDITING TIPS

Below are some tips that can be employed during an audit to render the process more transparent and effective.

- Take notes openly
- Increase transparency by good communication and involvement of auditees
- Lay open procedures - 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 Auditors from auditees
- Avoid use of words such as "why", "you", "but" and absolutes such as "always" or "never"
- Don't nit pick. Put findings in perspective
- Don't criticise
- Do not force your preconceived ideas on auditees
- Use a phrase like "is there any reason why" to ensure the validity of your audit findings
- As you find problems, discuss 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.

# APPENDIX 5

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## *Sampling Techniques*

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The process of collecting Objective Evidence involves sampling documentation and records, interviewing a representative selection of personnel, and observing the key functions of the Member's business practices.

When collecting evidence by examination of documentation, it is thus essential to consider 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 process are in place and are effective. Sample methods need to ensure that representative samples are used and not biased in some way and result in the same outcome or an outcome that is not materially different if a different sample set was selected.

It is not uncommon to wonder whether enough and/or the right information has been gathered to substantiate the findings and non-conformances. In principle, enough information has been gathered if:

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

However, often an auditor can be confronted by high numbers of documents, records, transactions and employees. Time constraints prevent the auditor from examining every document and interviewing every employee, necessitating a sampling approach to arrive at a determination of the level of compliance and effectiveness.

But how big must the sample be, and what sampling methods can be employed? Establishing an appropriate sample size (n) using a suitable sampling method will ensure that valid conclusions will be drawn regarding the population (N) under review.

To help ensure the sample selected is appropriate and defensible, the following six steps can be considered:

1. Determine and review the objective of the audit criteria being conducted – 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 – i.e. a policy or the need for a risk assessment?
2. Identify the population of information that is available – what is the population of records, employees, etc. 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 population, objective and other practical considerations such as time?
5. Conduct the sampling.
6. Document the results – Always document and record what you have seen, as well as the methodology, rationale and sample quantity relative to the population.

## STEP 1: DETERMINE THE OBJECTIVE AND CRITICALITY OF THE PROCESS

It is important to identify exactly what the desired outcomes of the process being audited are. Determining the objective(s) of the process will help the auditor to clearly identify the boundaries of the population under review. Understanding the required outcomes will allow the auditor to determine the criticality of the process. More critical processes will require a greater degree of confidence which will influence the size of the sample selected.

## STEP 2: IDENTIFY THE POPULATION FOR REVIEW

The next step in the sampling process is to identify the population under review. This can normally be done by interviewing personnel or reviewing records. For example, when verifying induction training for contractors, the population of contractors can be determined by interviewing the relevant manager or by reviewing a list of approved contractors.

It is important to establish the population before taking a sample, since all audit findings and conclusions will be based on what has been sampled.

## STEP 3: SELECT THE SAMPLING METHOD

Two general types of sampling can be used by auditors — judgemental sampling and probabilistic sampling.

### Judgemental Sampling

Judgemental sampling can be used when the auditor suspects that a problem exists and wishes to obtain objective evidence to support this suspicion. This sampling approach involves leaning the sample towards a particular subset of the overall population. For example, an auditor may have discovered that a new business partner such as an outsourcing contractor has been recently commissioned. The auditor may decide to focus the sampling activities on this new business partner to ascertain whether the Member has conducted appropriate due diligence and/or a risk assessment during the selection process.

### Probabilistic Sampling

The more commonly used method of sampling is known as probabilistic sampling. This sampling process ensures that the sample represents the entire population under review. Four probabilistic sampling methodologies can be employed by the auditor as follows:

- **Random Sampling**

Random sampling, the most widely used probabilistic sampling method, ensures that all parts of the population have an equal chance of being selected. One key issue to remember is that the sample must be selected by the auditor, not the auditee. This sampling method should ensure that audit findings are representative of the entire population.

- **Block Sampling**

The objective of block sampling is to draw conclusions about the population by examining certain segments or clusters of data that have been selected at random. This sampling can be employed when the population is very large and selecting and examining a purely random sample would be too time consuming.

For example, a company may be monitoring air emissions twice a day, five days a week. Rather than select a random sample from about 480 test results (about 12 months of monitoring records), the auditor may select all records generated on Wednesdays for April, July and October.

- **Stratification Sampling**

Stratification sampling can be employed when there are wide variations in the size or characteristics of the population. It is similar to block sampling and breaks up the population into groups or subsets such as day shift/night shift, full-time/casual employees, high volume/low volume etc. For example, an auditor may discover that information about labour rates and deductions tend to be less formal during busy period of production. The auditor can decide to focus sampling during these busy periods.



### • Interval Sampling

Interval sampling selects samples at various intervals (where, for example, every  $n$ th segment of the population is analysed). As in random sampling, every item must have an equal chance of being chosen and so, the first item selected in interval sampling must be picked at random. The sampling interval is normally determined by dividing the total population by the desired sample size. As an example, if an auditor wants to verify whether the weekly workplace inspections have been carried out over the past twelve months, he or she could decide to select a sample of ten weekly inspection reports from the 52-week period for review. This would lead to a sampling interval of every fifth report. If the starting point selected were four, the auditor would sample the report for week four and select the reports for weeks nine, thirteen etc.

## STEP 4: DETERMINE THE SAMPLE SIZE

As for sampling approach, sample sizes can be determined either statistically or on the basis of the auditor's professional judgement. The latter method is more commonly used in management system auditing, unlike in financial auditing where statistical methods are usually more relevant. Auditors must keep in mind that the size of the sample, particularly in relation to the total population, will naturally influence the confidence in the audit results.

In most audit situations, it may be adequate to review 10% of the overall population to determine compliance to requirements. However, this approach can be too cumbersome and time-consuming when confronted with large populations. In such circumstances, a smaller sample size will have to be selected. By employing a statistical approach to determining the size of the sample, the auditor can be aware of the confidence level in the overall state of compliance in the population under review.

Standards such as Military Standard 105D (*Sampling Procedures and Tables for Inspection by Attributes*) have been in use for many years in the quality control industry. These standards provide a range of sampling plans and tables depending on the acceptable quality level desired. The table below (Table 16) is adapted from Military Standard 105D and can be used as a starting point to determine the optimum sample size, particularly in high-risk processes or functions as it will maximise confidence in the conclusions drawn by the auditor regarding the overall population.

**TABLE 16: MINIMUM SAMPLE SIZE BASED ON POPULATION SIZE**

Population Size (N)	Minimum Sample Size (n)
2-8	All
9-15	9
16-25	10
26-50	13
51-90	20
91-150	32
151-280	50
281-500	80
501-1200	200
1201-3200	315
3201-10000	500

The following table (Table 17) provides an alternative statistical basis for deciding the sample size to be reviewed (also from Military Standard 105d).

**TABLE 17: CONFIDENCE IN THE SAMPLE SIZE**

Sample Size (n)	Confidence that the population is no more defective than the percentage below for each sample size( where $n \leq 0.1 N$ , the total population)	
	90%	95%
100	2.3%	3.0%
50	4.5%	6.0%
30	7.0%	10.0%
20	11.0%	14.0%
15	14.0%	18.0%
10	21.0%	26.0%
5	44.0%	53.0%
2	72.0%	78.0%

By using Table 17, a degree of statistical confidence in the sampling can be established. For example, if no non-conformances are identified after reviewing 30 records, then one can be 90% confident that less than 7.0% of all results are non-conformant. In reality, the true state of conformance could be higher. This model will only apply when the sample taken is truly random. The size of the total population does not affect the calculation provided that the sample population (n) is less than or equal to 10 per cent of the total population (N), otherwise expressed as  $n \leq 0.1 N$ .

## STEP 5: CONDUCT SAMPLING

Once step 4 has been completed, sampling can commence. To reduce any chance of bias, it is important that the auditor selects the sample rather than the auditee. Care must also be taken to ensure that the right population is being sampled. For example, if the auditor wishes to verify that contractors have received induction training, selecting training records from the Training Department may only show those contractors who have been trained. It is better to obtain a list of all contractors who have been on site and select the sample from this listing.

## STEP 6: DOCUMENT RESULTS

The final step in the sampling process is the documentation of results. The following information should be recorded:

- Objective of the process being audited
- The population under review
- Type of sampling method employed and reasons why
- The sample size selected and reasons why
- The results of the sample.

Ultimately, the sample must be enough to objectively support a finding of conformance or non-conformance with a requirement. The size of the sample, particularly in relation to the total population, will naturally influence the confidence in the audit results. The sample size needs to be sufficient to provide a reasonable level of confidence that it is representative of the larger group.

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[illegible]

# APPENDIX 7

## Statement of Conformance Template

This template aims to illustrate the required information. The relevant aspects will be reproduced in the respective Assessment Workbooks for each Standard.

<b>Member Name</b>	
<b>Audit Date</b>	
<b>RJC Standard</b> (please tick one)	<input type="checkbox"/> Code of Practice <input type="checkbox"/> Chain of Custody
<b>Audit Type</b> (please tick one)	<input type="checkbox"/> Certification Audit <input type="checkbox"/> Mid-Term Review (COP) <input type="checkbox"/> Re-Certification Audit <input type="checkbox"/> Surveillance Audit (CoC)
<b>Statement of conformance:</b> (please tick one)	<p>Based on the scope and findings of the Audit, the sites visited and the available information provided by the Member:</p> <input type="checkbox"/> The Member has demonstrated a conformance level consistent with a 3 year Certification Period <input type="checkbox"/> The Member has demonstrated a conformance level consistent with the transitional 1 year Certification Period for 1 year (COP only). <input type="checkbox"/> The Member is not eligible for RJC Certification due to having four consecutive 1 year Certification outcomes (COP only). <input type="checkbox"/> The Member is not eligible for RJC Certification due to the identification of Major Non-Conformance(s) (CoC only). <input type="checkbox"/> Critical breaches have been identified and the RJC Management Team should initiate disciplinary procedures.
<b>Need for Mid-Term Review</b> (COP only)	<p>Based on the scope and findings of the Certification Audit/Re-Certification Audit, the sites visited and the available information provided by the Member (select A, B or C and tick all that apply):</p> <input type="checkbox"/> A. The Member will not require a Mid-Term Review because: <ul style="list-style-type: none"> <li><input type="checkbox"/> No anticipated changes to the Certification Scope during the Certification Period.</li> <li><input type="checkbox"/> Member has &lt; 25 full time equivalent personnel.</li> <li><input type="checkbox"/> Low risks of changes to current conformance levels and strong management controls.</li> </ul> <input type="checkbox"/> B. The Member will require a desktop Mid-Term Review during the 3 year Certification Period to review progress on corrective action against non-conformances within 12-24 months, but a site visit is not required because: <ul style="list-style-type: none"> <li><input type="checkbox"/> The actions can be verified remotely; or</li> <li><input type="checkbox"/> No risk to Critical Provisions; or</li> <li><input type="checkbox"/> There are parallel audit programs for equivalent recognised schemes (e.g. De Beers BPP, SA8000, OHSAS 18001, ISO14001)</li> </ul> <input type="checkbox"/> C. The Member will require a Mid-Term Review during the 3 year Certification Period that will include the need for site visits because: <ul style="list-style-type: none"> <li><input type="checkbox"/> Known and anticipated changes to Certification Scope during the Certification Period</li> <li><input type="checkbox"/> Certification Audit identified &gt;2 Minor NCs for Critical Provisions; or &gt; 4 Minor NCs in total</li> <li><input type="checkbox"/> New systems and controls for Critical Provisions that could not be tested at the Certification Audit</li> <li><input type="checkbox"/> Facilities with risk of non-conformances against Critical Provisions</li> <li><input type="checkbox"/> Other compelling reason presented by the Lead Auditor. (Please state the reason):</li> </ul>

<b>Confirmation</b>	<b>The Auditors confirm that:</b> <ul style="list-style-type: none"><li>✓ The information provided by the Member is true and accurate to the best knowledge of the Auditor(s) preparing this report.</li><li>✓ The findings are based on verified Objective Evidence relevant to the time period for the assessment, traceable and unambiguous.</li><li>✓ The scope of the assessment and the method used are sufficient to establish confidence that the findings are indicative of the performance of the Member's defined Certification Scope.</li><li>✓ The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.</li></ul>
<b>Lead Auditor Name:</b>	
<b>Audit Firm:</b>	
<b>Signature:</b>	
<b>Date:</b>	

# APPENDIX 8

## *Audit Report Minimum Mandatory Content*

The following table states the minimum mandatory content with a suggested structure for the RJC Audit Report.

**TABLE 18: RJC AUDIT REPORT MINIMUM MANDATORY CONTENT WITH GUIDANCE.**

Heading	Content
<b>Statement of Conformance</b>	<p>A completed and signed Statement of Conformance must be included.</p> <p>A template of the Statement of Conformance is available in the Assessment Workbook (COP) and in the Assessment Toolkit (CoC).</p>
<b>Summary of Findings</b>	Summary of findings in Excel format exported from Assessment Workbook, worksheet 3b.
<b>1. Introduction</b> <ol style="list-style-type: none"> <li>Background information</li> <li>Audit Criteria               <ol style="list-style-type: none"> <li>RJC Standard being audited</li> <li>Name of Member or Entity</li> </ol> </li> </ol>	Provide a brief introduction which sets the context of the audit. This includes the Audit RJC Standard (i.e. the audit criteria) and basic details about the Member.
<b>2. Certification Scope</b> <ol style="list-style-type: none"> <li>Certification Scope defined by Member and verified by Auditor</li> <li>Known changes to Certification Scope for the Certification</li> <li>Related Companies (COP only)</li> </ol>	<p>Provide a copy of the Certification Scope as documented by the Member and reviewed by the Auditor. In addition, document:</p> <ul style="list-style-type: none"> <li>changes that have occurred since the previous Audit</li> <li>expected changes during the Certification Period moving forward</li> <li>Related Companies (COP only)</li> </ul> <p>This information should be made available to the Auditor via the Members Self Assessment documentation.</p>
<b>3. Audit Methodology</b> <ol style="list-style-type: none"> <li>Audit Type</li> <li>Audit Scope               <ol style="list-style-type: none"> <li>Facilities visited</li> <li>Business Activities reviewed</li> <li>Provisions from the RJC Standard</li> </ol> </li> <li>Assessment Team               <ol style="list-style-type: none"> <li>Names and Qualifications</li> <li>Topic Experts</li> <li>Independence Status</li> </ol> </li> <li>Audit Details               <ol style="list-style-type: none"> <li>Limitations or Parts of the Audit Plan that could not be Conducted</li> <li>Level of Cooperation</li> <li>Unresolved Conflicts, Disputes and Disagreements</li> </ol> </li> </ol>	<p>Provide a detailed description of the audit methodology including:</p> <ul style="list-style-type: none"> <li>Audit Type - Certification, Mid-Term Review (COP only), Surveillance Audit (CoC only) or Re-Certification</li> <li>Audit scope including which Facilities were visited, what Business Activities were reviewed and what Provisions from the RJC Standard were assessed.</li> <li>Audit team composition including names and qualifications</li> <li>Names and qualification of any Topic Experts used as part of the Audit</li> <li>Acknowledgement that the Audit Team and Topic Experts were independent and free of conflict.</li> <li>Any parts of the Audit Plan that could not be completed and any other limitations.</li> <li>The level of cooperation and any unresolved conflicts, disputes or disagreements.</li> </ul>

Heading	Content
<b>4. Audit Findings (supported with Objective Evidence)</b> <ul style="list-style-type: none"> <li>a. Noteworthy Achievements</li> <li>b. Status of Corrective Actions from Previous Audit (if applicable)</li> <li>c. Critical Breaches (include reference to Provision, the underlying causes and supporting objective evidence)</li> <li>d. Major Non-Conformances (include reference to Provision, the underlying causes and supporting objective evidence)</li> <li>e. Minor Non-Conformances (include reference to Provision, the underlying causes and supporting objective evidence)</li> <li>f. List of Not Applicable Provisions with Reasons</li> <li>g. Log of Provenance Claims – COP only</li> </ul>	<p>Detail the audit findings including any positive and noteworthy achievements (if relevant).</p> <p>All critical breaches and non-conformances must be recorded and include:</p> <ul style="list-style-type: none"> <li>• The underlying root cause(s) of the non-conformance</li> <li>• Supporting objective evidence (generalised so as not to compromise confidentiality, security or commercially sensitive information, unless approved for release by the Member)</li> <li>• Reference to the Provision in the RJC Standard.</li> </ul> <p>Auditors must confirm that Provisions rated as Not Applicable to the Member have verified reasons for this rating.</p> <p>For the Code of Practices only, a log of all Provenance claims, made by the Member in accordance with Provision 12 of the COP, must be included in the RJC Audit Report.</p>
<b>5. Conclusion and Next Audit</b> <ul style="list-style-type: none"> <li>a. Concluding Remarks</li> <li>b. Next Scheduled Audit (including COP Mid-Term Review, if applicable)</li> </ul>	<p>The final section of the report should include any concluding remarks about the audit including:</p> <ul style="list-style-type: none"> <li>• Concluding remarks on the audit process or Statement of Conformance</li> <li>• Details pertaining to the next audit including the Audit Type and an approximate timing for the Audit.</li> </ul>
Appendices and supporting documentation	Include any reference documentation and supporting information including a list of abbreviations and acronyms, if relevant.
Monitoring and Evaluation Data Form (COP only)	For the Code of Practices only, the information listed in the RJC Monitoring and Evaluation Data Form must be submitted along with the Report. The RJC Monitoring and Evaluation Data Form is available in the Assessment Workbook.

## MEMBER AUDIT REPORT

The Member Audit Report should include the same content as indicated in the above table. However, as the Member Audit Report is not submitted to the RJC, it enables any additional confidential, security-related or commercially sensitive information that may be relevant to internal reviews of business improvements to be reported to the Member. Additional content may include:

- Specific details about objective evidence such as:
  - Names or roles of personnel Interviewed
  - Detailed references about documents reviewed
  - Specific nature about activities observed
- Suggested Business Improvements & Other Observations

While the RJC Audit Report must be in English, the Member Report may be in any language.