

RJC Accreditation for CABs and Auditors – Update

Auditor Engagement – Conflict of Interest

August 2010



The credibility of RJC Certification hinges on the quality and independence of the third party Conformity Assessment Bodies (CABs) and their auditors. The RJC Accreditation process seeks to ensure that CABs and their auditors have appropriate experience and expertise and that there is no conflict of interest when undertaking Verification Assessments for individual Members.

Recently questions concerning conflicts of interest have been raised during several of our training sessions. To address these questions, this note has been issued to remind all auditors associated with RJC Accredited CABs of the importance of being impartial, unbiased and free from any conflict of interests.

RJC Accreditation Criteria:

The RJC System is premised on impartiality and independence criteria as required in the RJC Auditor [Accreditation Process and Criteria](#) document (No.T004_2009), which is available from the RJC website.

The RJC's Auditor Accreditation criteria are aligned with ISO17021. CABs (referred to as certification bodies in the extract below) are required to be independent of the activity being assessed and free from bias and conflict of interest.

Element 5.2.2 from ISO17021 states:

The certification body shall identify, analyse and document the possibilities for conflict of interests arising from provision of certification including any conflicts arising from its relationships. Having relationships does not necessarily present a certification body with a conflict of interest. However, if any relationship creates a threat to impartiality, the certification body shall document and be able to demonstrate how it eliminates or minimizes such threats. This information shall be made available to the committee specified in 6.2. The demonstration shall cover all potential sources of conflict of interests that are identified, whether they arise from within the certification body or from the activities of other persons, bodies or organizations.

www.responsiblejewellery.com

Case studies:

The following examples explore whether a conflict of interest may be present:

1. **Assisting with the Self Assessment:** RJC Members may choose to seek external assistance of a competent consultant or advisor to assist them with their Self Assessment. However any such person involved in the Self Assessment cannot play a role in the Verification Assessment, as this represents a conflict of interest.
2. **Using the existing company auditors:** RJC Members may wish to use an RJC Accredited CAB for the Verification Assessment that they already use for other management systems audits. As long as they have not been involved in the Self Assessment, or played a role in establishing the required management systems for the RJC Code of Practices, this does not represent a conflict of interest.
3. **Perception of impartiality:** RJC Members may contract an RJC Accredited CAB to carry out audits (RJC or non-RJC) on the Members' customers or suppliers in the diamond & gold supply chain. This could present a potential or perceived conflict of interest for the CAB in the form of a financial interest beyond that of the normal auditor – auditee relationship. The CAB must consider whether it can also conduct an RJC Verification Assessment for the Member, and if so, document how it will manage the conflict of interest (as per ISO17021, Element 5.2.2).

Conclusion

CABs are required to confirm in their Verification Reports that they have no conflict of interest in carrying out verification for that Member.

If a potential conflict of interest exists between a Member and an RJC Accredited CAB, this could compromise the integrity of the RJC System. In this situation, the CAB must document and demonstrate to the RJC Management Team how it has eliminated the potential conflict of interest prior to the Verification Assessment.

If the CAB fails to do this, the independence of the CAB's Verification Assessment could be under question and the RJC may not grant Certification to the Member.

If the conflict of interest cannot be eliminated, then an alternative RJC Accredited CAB, free from bias and conflict, must be selected by the Member to conduct the Verification Assessment.

www.responsiblejewellery.com

Further information about the RJC Accreditation process is available on our website <http://www.responsiblejewellery.com>. Should you have any further questions please don't hesitate to contact Anna Leach, Administrative Manager: anna.leach@responsiblejewellery.com

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Rae', is positioned above the typed name and title.

Michael Rae
CEO, Responsible Jewellery Council

www.responsiblejewellery.com

The Responsible Jewellery Council is the trading name of the Council for Responsible Jewellery Practices Ltd, The Council for Responsible Jewellery Practices Ltd, First Floor, Dudley House 34-38 Southampton Street, London, United Kingdom WC2E 7HF. The Council for Responsible Jewellery Practices is registered in England and Wales with company number 05449042.