Remote Audit Derogation (RAD) to RJC Assessment Manual

Audit Approach During Exceptional Circumstances

1. Purpose

This updated document details the requirements for RJC accredited Conformity Assessment Bodies (CABs) relating to exceptional circumstances that impact the ability to conduct onsite audits against the RJC Code of Practices (CoP) and Chain of Custody (CoC) standard. These requirements are additional to, and where specified, supersede those in the Assessment Manual (version 1.3 December 2020), sections 12.2.3 and 12.2.4 (p. 49 – 55) and Table 14 (p. 62).

As part of regular assurance audit procedures, the RJC already allows to recommend remote audits under specific criteria, currently limited to mid-term desktop reviews (Assessment Manual, version 1.3 December 2020, section 12.3.5 table 14, p. 62). The aim of the RAD is to provide CABs and RJC members continuity with the RJC audit programme as scheduled, should onsite audits be impracticable due to exceptional circumstances, amounting to force majeure.

Technological advances now permit audits that fall under specific criteria – defined here – to be conducted without the RJC accredited auditor being physically present at the member's premises. The RJC has carefully balanced the need for flexibility during this disruptive period to business operations against maintaining the integrity and robustness of the audit programme.

The RAD defines the conditions under which exceptions or deviations from regular assurance audit procedures, requirements, or timelines are allowed. The RAD was first introduced in July 2020 and was originally valid until December 2020. Two subsequent extensions were approved by the RJC Assurance Committee, in October 2020 and February 2021 as part of ongoing challenges caused by the COVID-19 pandemic. Following these approvals, the derogation was revised, and its validity further prolonged until 30 June 2021 and 31 December 2021. The validity and/or applicability will be again reviewed before 31 December 2021, considering the status of onsite audit restrictions.

If the default on-site audit cannot be conducted and the eligibility and/or necessity for a remote audit has been established, the CABs are required to follow the methodology defined in the RJC Remote Auditing Protocol.

2. Definitions

Remote audit is the umbrella term used by the RJC to conceptualise an offsite audit, whereby the auditor is not physically present at the member's premises – either for the entire audit or parts of it. The offsite audit covers the same ground as an onsite audit, the only difference being a change in format. The RJC differentiates between the remote audit types defined below.

A **fully remote audit** is conducted ***entirely using electronic means*** (using any software that allows for live video-streaming, provided it has end-to-end encryption and complies with all applicable data governance legislation and confidentiality agreements), and can take two forms:

- **Desktop audits** are static and take place in one location at the member's site via videoconferencing, through which all evidence for conformity is exchanged in dialogue or documentation. All activities take place via videoconferencing: the opening and closing meetings, and management interviews, in combination with email, or screenshare for secure exchange of documentation – whereby policies, handbooks, notifications, contracts as requested – are sent to the auditor. All documentation and information requested by the auditor with regards to member conformity must be available in soft copy (electronic format) and submitted within timeframes specified by the auditor, which must never exceed 8 hours.
- **Virtual audits** are mobile, and the auditor guides the member through their site, dictating specific elements to be shown or demonstrated that relate to assessing conformity against the RJC standards. This site tour takes place ***in addition*** to the necessary desktop elements as defined above for the audit process to be complete, and by using a mobile device.

A **partially remote audit** (also known as a hybrid, facilitated or semi-remote audit) is conducted using a combination of onsite and offsite mechanisms to assess conformity against the RJC standards. The audit process is therefore split into two or more parts, whereby the desktop elements are assessed at one time, and the onsite elements are assessed separately. During the partially remote audit, remote lead auditors can also use a local facilitator[1] to help them verify practices on the ground simultaneously or at a later time, if the CAB does not have an RJC accredited local auditor. A full description of the role and qualifications of the facilitator is available in the RJC Remote Auditing Protocol.

[1] A facilitator is a CAB employee, auditor or contractor who is not an RJC accredited auditor (but may have other auditing qualifications) and who acts as the eyes and ears on the ground for the remote audit team (ISEAL Guidance – Remote Auditing Good Practices p. 11 Remote Auditing Good Practices ISEAL Guidance v0.1 March 2021.pdf (isealalliance.org)

Which order the onsite and remote elements take place is to be decided by the auditor during the audit planning phase. The entire audit process must be completed within ***six months*** (i.e. no more than six months to elapse between opening and closing meeting dates) for both scenarios to which a partially remote audit applies:

- Members with more than one site in their RJC certificate scope (multi-site). Sites meeting the eligibility criteria can be considered for a fully remote audit (applicable to CoP audits only, CoC audits are excluded) and those that do not will need to be assessed onsite. The number of onsite visits due are calculated according to Table 10 (p. 52) of the Assessment Manual. This option is also applicable for sites within a multi-site that are not eligible for a fully remote audit but would benefit from the audit process commencing, allowing a broader audit timeframe and or/certification continuity.
- Single-site members that are not eligible for a fully remote audit but would benefit from the audit process commencing. For example, their membership is due to expire and there is auditor availability for a specific date, but force majeure circumstances (i.e. travel restrictions) are still in effect, preventing the auditor from being onsite at that time of availability.

This partially remote audit can be conducted regardless of the eligibility criteria below (and as such applies to any type of CoC and CoP audit) – but must still be submitted to the RJC for approval.

Please contact accreditation@responsiblejewellery.com with any questions.

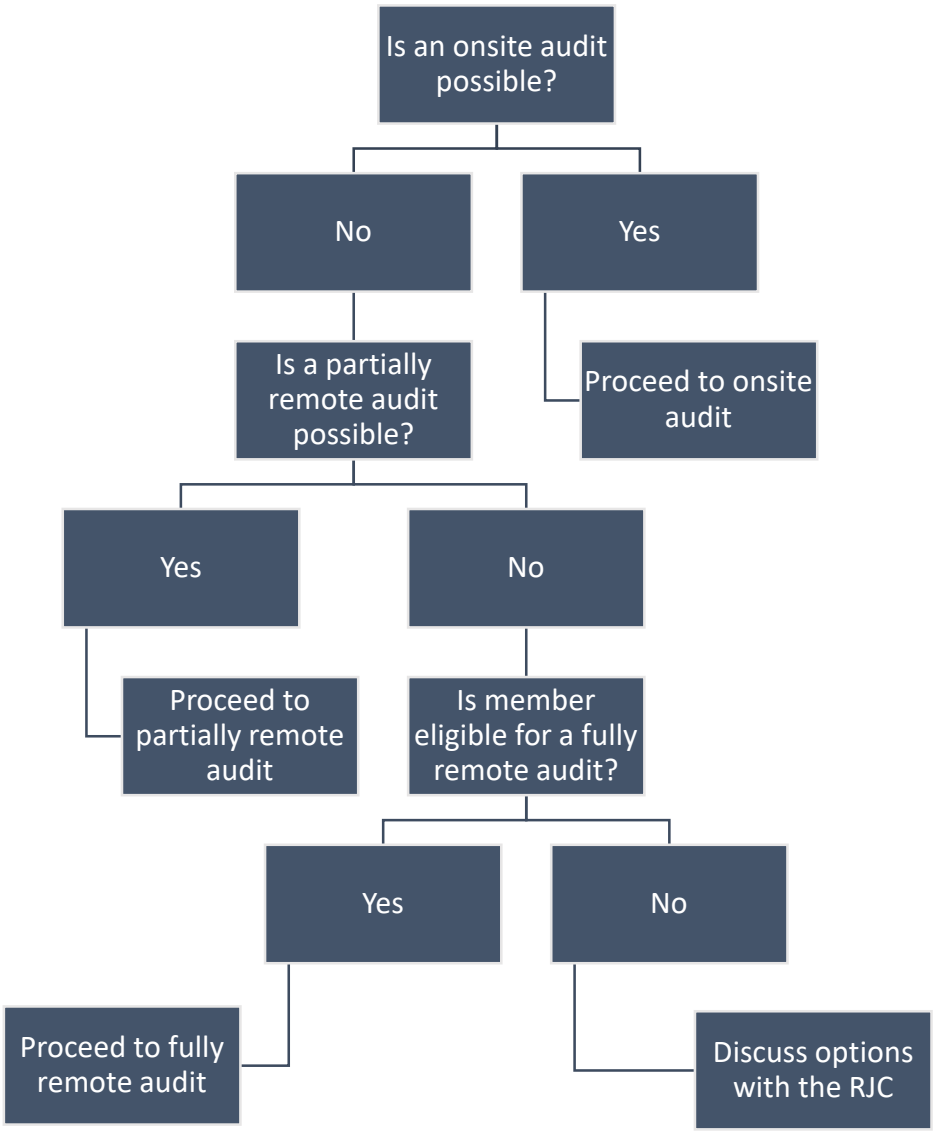
3. Applicability

This derogation only applies where onsite RJC audits are not feasible due to restrictions imposed by exceptional circumstances amounting to force majeure, such as, but not limited to the below:

- The auditor is unable to travel due to lockdown situations, legal requirements banning official travel or gatherings and restricting transportation.
- The RJC member is not admitting external visitors onsite due to health & safety reasons specifically imposed by the exceptional circumstances.
- Conducting an onsite audit could present health risks to the auditor or the personnel on site.
- Social distancing restrictions that would severely impact the ability to conduct an effective audit are in place.

Where these and similar restrictions apply, the CABs shall document the current local status quo in the Remote Audit Request, as justification.

The below order of options shall be followed:



Partially remote audits can be requested using the process in section 5 below. For fully remote audits, the CAB must decide whether a desktop or a desktop AND virtual audit is most relevant and effective.

When a combined audit is taking place, it is the auditor's responsibility to ensure all schemes covered allow for a remote audit.

4. Eligibility for Fully Remote Audits

The RJC adopts a scenario-driven approach to remote auditing, defined as a combination of prescriptive audit types and risk factors presented by the member[2].

Audits are eligible to be ***fully remote*** for a specific site provided **all** criteria are met:

- Assessing conformity against the RJC CoP only (with first CoP audits having additional criteria). Audits for CoC are not eligible.

- The member has submitted or committed to submit to their auditor a completed RJC CoP self-assessment for the relevant standard version, within six months prior to the requested remote audit. The audit cannot proceed without the self-assessment and the auditor must record receipt in the audit report, if not already recorded in the remote audit request. Also, the member has confirmed that scope has been updated or remains unchanged just prior to the remote audit being requested.

- Total number of employees (including direct and contracted employees) for the site is 100 or fewer (where up to 10 employees are sampled for remote interview to be conducted as per the Remote Audit Protocol). This limit does not apply to CoP mid-term reviews, transition audits and provenance claims bolt-on audits where triangulation is not needed to verify corrective actions).

- Worker interviews are found to be possible and appropriate (member can ensure the conditions laid out in the Remote Audit Protocol regarding the interview environment.)

- Member's documentation is sufficiently digitised before or in preparation for the audit to allow for remote auditing.

- Member's office is functional or local regulations do not prevent management from going to the office to collect documents that are needed for the audit, should they not be available remotely.

- There are no open non-conformances, or all non-conformances (minor and/or major) are against provisions where the corrective action can be verified remotely with no limitations (i.e. do not require worker interviews for triangulation).

[2] ISEAL Guidance – Remote Auditing Good Practices p. 5 Remote Auditing Good Practices ISEAL Guidance v0.1 March 2021.pdf (isealalliance.org)

- The previous audit was not a fully remote audit, either at site or member level, with the exception of a desktop mid-term review recommended and conducted as per the Assessment Manual and not the RAD.

- The member does not have negative media attention or stakeholder feedback related to their compliance to the CoP, since their last audit.

- The member is not involved in an RJC active admissible stakeholder complaint or subject to an ongoing investigation.

- The member does not have a history of poor performance, i.e. suspended more than once, missed audits, history of recurring major non-compliances, or previous Critical Breaches.

- The member can provide all necessary documentation on time via Information and Communication Technology (ICT), in compliance with data security and privacy regulations.

- A test videoconference has been conducted prior to the audit to ensure there is sufficient technological capacity and skill to assess conformity, on either side (member and auditor). The audit cannot be conducted remotely in the absence of the video function at all sites being assessed.

Should a mid-term review be recommended following the remote audit, it will take place onsite at 12 months, subject to local restrictions still in place due to the exceptional circumstances.

In addition to the above, where applicable, first CoP certification audits can be conducted fully remotely with an onsite mandatory mid-term review audit at 12 months, if the member:

- Is a retailer, trader, wholesaler, service provider, testing & grading laboratory or diamond cutting & polishing unit, and
- Has a total number of employees (including direct and contracted employees) of 15 or fewer for the site to be audited, and
- Confirms awareness and use of the RJC resources available online at RJC Certification Walkthrough 2019.

For sites with between 16 and 100 employees (including direct and contracted employees), the member must also be:

- Certified against other schemes / standards covering social topics and health & safety (i.e. ISO 45001 H&S or social audits like SA 8000 or SMETA) and/or

- Part of a group and undergoing annual corporate oversight with a scope similar to the COP provisions on social topics and health & safety. Member confirms that the last oversight report (no older than 12 months) will be available for review during the audit.

Exceptions to the eligibility criteria will be considered by the RJC on a case-by-case basis, justified in writing before the audit is conducted, demonstrating how deviation does not affect the auditors' ability to fully assess conformity and does not jeopardize the credibility of the RJC certification.

5. Process to follow

Upon receiving a remote audit request from a member, CABs are required to assess the member against the eligibility criteria and recommend the member for a partially or fully remote audit. The recommendation must be submitted to the RJC using the RJC remote audit request template, including all required information and reasons why an on-site audit is not possible. The RJC will respond within five (5) working days (Mon-Fri).

Where the RJC rejects a remote audit request, the rationale for that decision will be provided in writing at the same time. Retrospective requests (during and after the audit has taken place) will not be authorised, and if a remote audit is conducted in contravention of the eligibility criteria the RJC may require an additional onsite audit to fully verify conformance, at the CAB's expense.

If the remote audit is authorised by the RJC, CAB programme managers must ensure that:

- All requirements of section 12.3 (Assessment Manual) can be effectively conducted.
- The guidance provided in sections A.15 c) "Visiting the Auditee's Location" and A.16 "Auditing Virtual Locations and Activities" in ISO 19011:2018 is followed
- Both parties (auditor and member) consent prior to the audit taking place in remote format.

6. Onsite element of the audit and/or return to a full onsite audit

Before proceeding to the onsite element of the audit and/or resuming full onsite audits, CABs shall assess risks for CAB staff, member staff, and other personnel who might participate in the audit.

At a minimum, the below shall be considered:

- All legal permissions/permits/actions required to travel and conduct onsite activities are obtained and/or onsite audit is not against local legislation.

- Any applicable legal requirements related to quarantine / testing are fulfilled.
- If a partially remote audit is conducted, the time spent onsite is minimised to focus on the parts of the audit that require onsite verification only.
- Logistics onsite are arranged to minimise risks to health and safety, including observing social distancing, use of personal protective equipment (PPE), and minimising time spent indoors, as well as following any relevant protocols required by the specific site.