



Assurance System Report – Responsible Jewellery Council 2020

This report summarises the Responsible Jewellery Council’s (RJC) assurance system as of December 2020 and highlights planned areas for improvement in 2021. The report was produced alongside the RJC’s self-assessment against the [ISEAL Assurance Code of Good Practice v2.0](#).

1 Assurance System Structure

1.1 Membership and certification

The RJC operates a membership and certification system covering the jewellery and watch industry, from mine to retail. As of 31 October 2020, the RJC had a total of 1299 members, an increase from 1214 on 31 October 2019. Member companies must achieve certification to the RJC Code of Practices (COP) standard within two years of joining the RJC. The certification scope must include all facilities and activities controlled by the member that contribute to the gold, silver, platinum group metals, diamonds and coloured gemstones (emeralds, rubies, sapphires) supply chains. The COP establishes minimum requirements with regards to a range of the members’ operations, including anti-money laundering, working conditions, supply chain due diligence for responsible sourcing, and environmental management. As of 31 October 2020, 933 members were COP certified.

The RJC also offers a Chain of Custody (CoC) Standard, which is optional for members who wish to make specific claims about responsible sources and demonstrate material traceability throughout their operations. The CoC standard covers precious metals (gold, silver, and platinum group metals) and is available to RJC members and entities under their control. However, it must include all facilities under the control of the member relating to the extraction, processing, manufacturing, storage, handling, shipping and receiving, and marketing of CoC material. As of 31 October 2020, 124 members were CoC certified.

The RJC is the standards setting organisation (scheme owner), the certification body, and the accreditation body. With regards to assurance, the RJC has established requirements for the audit firms – Conformity Assessment Bodies (CABs) – and individual auditors to be accredited to undertake audits against the COP and/or CoC. The requirements are articulated in the [Auditor Application Form](#) and [Accreditation Process and Criteria](#), and requirements for the audit process in the [Assessment Manual](#).

RJC members undergo independent third-party audits conducted by accredited audit firms (Certified Assessment Bodies or CABs), whereby the audit team provides a statement of conformance and recommendation for certification to the RJC in the final audit report. The RJC issues an audit report template to all accredited audit firms to drive consistency in the audit process and the recording of conformity. The RJC reviews every audit report for quality control against the Assessment Manual, in particular for the grading of audit findings and certification recommendations. However it is important to state that the independent audit report determines member conformance to the applicable RJC standard and recommends certification. The certification period depends on the audit findings as illustrated below:

Aspect	Application	COP	CoC
		Mandatory	Voluntary
Conformance or minor non-conformance		Three year certification	Three year certification
Major non-conformance		One year transitional certification	No certification
Critical breach		No certification and potential disciplinary proceedings	No certification and potential disciplinary proceedings

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1.2 Internal structures and governance

The RJC is a small organisation with a flat structure. The Assurance Manager is responsible for all assurance workstreams, tasks, budgeting, auditor training, risk management, assurance related data management, and scheme documents related to accreditation and the audit process. The Assurance Manager reports directly to the Executive Director, who is therefore accountable for the budgeting, functioning, and improvement of the assurance programme. The Assurance Manager works closely with the Certification team, which is responsible for reviewing audit reports and issuing certificates. The Assurance Manager also works closely with the Standards and Membership teams given the cross-over with COP and CoC implementation from both a technical and service-level approach.

Assurance governance is overseen by the Assurance Committee, which operates pursuant to the [terms of reference](#) established by RJC. The Committee comprises of eight members, six of whom represent certified RJC members across the industry sectors, and two of whom are independent experts with relevant industry and standards scheme experience. The Committee meets virtually at least quarterly, with ad-hoc meetings called by the Chair or Assurance Manager if necessary. The Committee oversees the ongoing evolution and maintenance of the RJC assurance system, assisting in the development and improvement of assurance scheme policies and documents relating to audit process and CAB/auditor accreditation.

1.2 Stakeholders

The RJC has a publicly accessible [Complaints Mechanism](#) through which stakeholders may flag concerns about any element of the organisation, including the certification and assurance programme. The mechanism covers, but is not limited to, areas such as the certification status of a member, the accreditation status of a CAB, alleged misrepresentation, corruption or illegality. Stakeholders encompass any individual or group with a material interest in certification against the RJC standards, and include member employees, auditors, community groups, non-governmental organisations, and trade unions. The process followed by RJC to record, manage, address, and close complaints raised is documented in the Complaints Mechanism.

2 Personnel competence

2.1 CAB accreditation process

The RJC accreditation programme is aligned with ISO 17021-1:2015 *Conformity assessment – Requirements for bodies providing audit and certification of management systems*. The RJC requires CABs to demonstrate conformity to ISO 17021 because the audit is focused on the management systems members have in place to meet and maintain the RJC standards. A list of [accredited CABs](#) is available on the RJC website, along with the geographic scope (countries) and activities (sectors) for which they are authorised to conduct audits. If successful, RJC CABs are accredited for a period of five years. The accreditation process is summarised in figure 1. Once the CAB is accredited, individual auditors must successfully complete a separate accreditation process.

2.2 Auditor accreditation requirements

The minimum competencies, qualifications, and experience required for RJC auditor accreditation are detailed in Appendix 1 of the [Accreditation Process and Criteria](#). These requirements are designed to ensure auditors have sufficient and relevant technical experience in the sector(s) and countries they wish to audit, as well as sufficient auditing experience that builds on an academic base in relevant disciplines. All auditor accreditation applications are independently evaluated against four primary elements: curriculum vitae, an audit log, completed [Auditor Application Form](#) (section D), and training and qualification certificates. Whilst the RJC accredits each auditor based on the strength of their application balanced against market demands for their geographic scope and sector, responsibility for maintaining auditor competency, impartiality, and consistency rests with the CAB, pursuant to ISO 17021. The oversight programme monitors CAB and auditor performance as described in section 4 below.

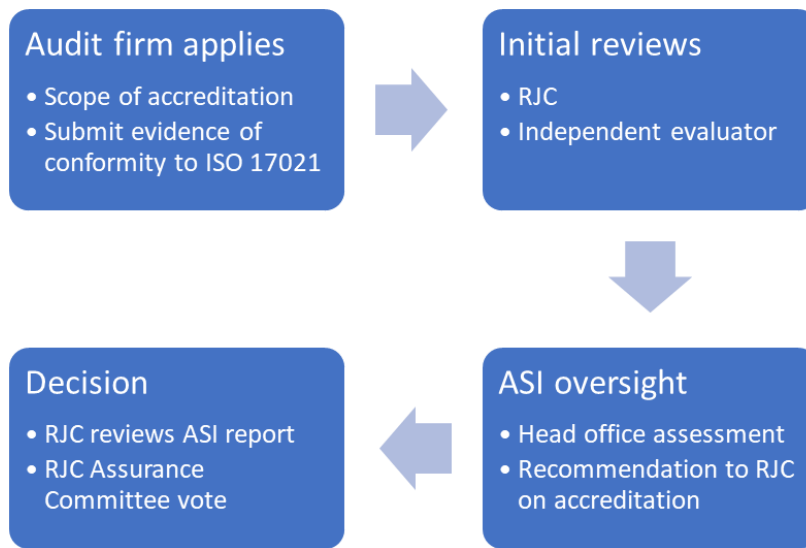


Figure 1 – Overview of the RJC's accreditation process

2.3 Auditor training

The RJC's minimum training requirements are detailed in Appendix 1 and section 3 of the [Accreditation Process and Criteria](#). These requirements are based on *ISO 19011:2018 Guidelines for auditing management systems*. In addition, the RJC provides online training modules in a password-protected section of the website: <https://www.responsiblejewellery.com/auditors/auditor-training/>. Modules are compulsory or optional depending on the approved standard and sector scope of the auditor. The modules are designed to support and enhance understanding of the COP and CoC standards, due diligence risks in jewellery and watch supply chains and mining, and how the industry operates. Once the modules and their relevant assessments are complete and the pass mark has been confirmed by the RJC, the auditor is fully accredited.

3 Assessment

3.1 Audit overview

COP and CoC audits are conducted by accredited independent third-party auditors using the RJC's audit report templates and against the audit methodology detailed in the Assessment Manual. The Assessment Manual is based on ISO 19011:2018 and requires auditors to follow an established audit pattern of opening meeting, site tour, worker interviews, document review, and closing meeting. For COP and CoC there are three audits within the three-year certification cycle: the initial certification audit; the mid-term review (COP) or surveillance audit (CoC); and recertification audit prior to expiry.

Currently, all initial and recertification COP audits must take place onsite. Mid-term reviews, where required, must take place within 12-24 months of certification, and are determined as onsite or desktop by the factors as detailed in table 14 of the Assessment Manual. All CoC audits must be conducted onsite. It is important to note here that due to the Covid-19 pandemic the RJC implemented a [remote audit derogation](#) in July 2020. This derogation temporarily allows a broader range of COP mid-term review and recertification audits to take place on a fully remote basis, and for any type of COP and CoC audit to take place on a partially remote basis. The derogation is currently valid until 30 June 2021, and will be reviewed in early 2021 to account for evolving conditions and the ability to conduct onsite auditing.

3.2 Audit findings

The Assessment Manual documents the decision-making mechanisms for determining member conformity against the COP and CoC standards, and the consequences of non-conformity. There are three levels of non-conformity: minor, major, and critical breach. The main difference between a minor and major non-conformance is the isolated nature of the former, and systemic nature of the latter. Minor non-conformances also represent reduced risk to the environment, workers and local community and are easier to remedy. A critical breach against the COP standard is triggered by a violation, supported by objective evidence, of any of the provisions deemed to be critical to the integrity of the RJC COP (as listed in section 8.3 of the Assessment Manual). A critical breach against the CoC standard is raised where there is evidence of intentional falsification of information regarding the member's policies, processes, or procedures for implementing the CoC standard.

Non-conformances are identified and raised with the member and documented by the auditor in the audit report. A description of the non-conformance is required, clearly stating against which provision it has been raised, and the underlying deficiency/ies. Members must develop a corrective action plan to remedy all non-conformances within specific timeframes as set out in the Assessment Manual section 9. This corrective action plan must be submitted by the company to the lead auditor within one month of the audit, who in turn verifies that the member's proposed corrective actions address the root cause, prevent recurrence, and are realistic and timely. The effectiveness of these corrective actions is then checked at the next scheduled audit, and the auditor indicates in the audit report whether the non-conformance is still open or has been successfully closed.

4. Oversight

Since 2018, the RJC has contracted [Assurance Services International](#) (ASI) to conduct oversight of all accredited CABs. The RJC does not accept proxy accreditation. CABs and auditors must go through the entire accreditation process as stipulated in the Accreditation Process and Criteria 2019.

The RJC's oversight – conducted by ASI – consists of head office assessments (remote or onsite) and witness assessments (generally onsite, but also allowed remotely due to Covid-19 where the member audit is eligible as per the RJC's [remote audit derogation](#)). At the former, ASI checks the implementation of ISO 17021 at the CAB's accredited office, to verify the systems and policies in place. At the latter, ASI observes an audit taking place in-situ to verify the auditor competency, impartiality, and consistency and general adherence to the RJC's auditing methodology as per the Assessment Manual. ASI will raise non-conformities where the assessment demonstrates insufficient or weak implementation of ISO 17021 or the Assessment Manual's requirements. The frequency of these assessments is determined by the number of RJC clients each CAB has, and performance trends (please refer to section 6 in the [Accreditation Process and Criteria 2019](#) for more detail).

5. On-going scrutiny

The RJC certification process provides unique certification numbers for each individual successful certification audit, which allows for traceability of successive certification status. The history of all audits and certification numbers for each member are maintained on the [website's membership pages](#). This allows interested stakeholders to verify certification information directly. The RJC Complaints Mechanism includes coverage of fraud or misrepresentation and sets out the steps that will be taken for investigation and sanctions that apply.

6. Value and accessibility

Members receive a copy of the final audit report, thereby obtaining a record of their performance. A copy of their certificate, which summarises performance, is issued on the member webpage on the RJC's website and is therefore publicly available. The [RJC Assurance System Change Protocol](#) describes the process followed to review and update the assurance scheme documents. This includes how the RJC records known improvements, gathers stakeholder feedback, and establishes timelines for implementation. A key element of this improvement process is the drive for an increasingly effective audit that identifies all non-conformances, thereby creating value to the member who has commissioned the audit.