ASI Oversight Mechanism

Version 1 – 31 August 2018

1. PURPOSE
This procedure describes the oversight mechanisms to control, review and improve the ASI Accreditation and Certification processes.

2. SCOPE AND APPLICATION
This procedure applies to the ASI Secretariat and ASI Accredited Auditors. It covers oversight of the processes related to:

- ASI Accreditation of Conformity Assessment Bodies conducted by the ASI Secretariat
- ASI Certification Audits conducted by ASI Accredited Auditors

The ASI Oversight Mechanism shall be designed and operated to conform to the proxy accreditation model outlined in the ISEAL Code of Good Practice for Assuring Compliance with Social and Environmental Standards (the Assurance Code), to deliver on core principles of:

- Consistency: to ensure replicable results
- Rigour: to ensure the ‘intensity’ of the assurance process that best enhances accurate results
- Competence: to ensure individuals carrying out assurance to interpret and apply intent of the standards are qualified to do so
- Impartiality: to ensure fair and objective treatment of organisations seeking certification
- Transparency: to provide for stakeholder scrutiny and build confidence
- Accessibility: to ensure affordable, culturally sensitive, comprehensible audits that are within reach of members.

3. DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Accreditation Body</td>
<td>Organisations that accredit Conformity Assessment Bodies to ISO/IEC 17021, and/or ISO/IEC 17065 and/or other technical equivalent standard accreditation for conducting certification audits. Accreditation activities are conducted in accordance with ISO/IEC 17011.</td>
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<tr>
<td>ASI Accreditation</td>
<td>Recognition by ASI of a CAB’s competence to carry out audits and evaluate conformance against an ASI Standard.</td>
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<tr>
<td>ASI Accredited Auditor</td>
<td>A Conformity Assessment Body and its Individual Auditors (employee and contractors) accredited by ASI to conduct ASI Certification Audits.</td>
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<tr>
<td>ASI Secretariat</td>
<td>Individuals employed or contracted by ASI to carry out Secretariat functions for the organisation. This includes responsibility for implementation of the ASI assurance model, including the Oversight Mechanism as noted.</td>
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<tr>
<td>ASI Standards</td>
<td>ASI Performance Standard and ASI Chain of Custody Standard.</td>
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<tr>
<td>Audit</td>
<td>Assessment carried out by an independent third party ASI Accredited Auditor for the purposes of confirming conformance of an ASI Member with the ASI Standard/s. Audit types include Certification Audits, Surveillance Audits and Re-Certification Audits.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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<tr>
<td>Audit Report</td>
<td>Report on the Audit generated by the Auditor and submitted to the Member and to ASI via the ASI Assurance Platform, elementAI. Note in cases where elementAI is unavailable, separate documents can be provided but these must meet the requirements outlined in sections 8.16, 8.17 and 8.18 of the Assurance Manual.</td>
</tr>
<tr>
<td>Board</td>
<td>ASI Board as defined in the ASI Constitution</td>
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<td>Certification</td>
<td>An attestation issued by ASI, based on the results of a Certification Audit by an ASI Accredited Auditor, that the required level of Conformance has been achieved against the applicable ASI Standard and for the documented Certification Scope.</td>
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</table>
| Certification Audit         | A Certification Audit comprises the following:  
• A preliminary desktop review of a Member’s Self Assessment and other related information;  
• Development of an Audit Plan to identify the relevant Facilities and Business Activities to visit and assess;  
• Verification of conformance through implementing the Audit Plan;  
• Preparation of an Audit Report for the Member and ASI.                                                                                       |
| Certification Scope         | The Certification Scope is defined by the Member and sets out what parts of a business, Facilities and/or Business Activities are covered by an ASI Certification. There are three possible approaches to Certification Scope:  
• Business Level: covers a whole Member company, a subsidiary of a Member or a business unit of a Member.  
• Facility Level: covers a single Facility or group of Facilities which are a subset of a Member’s total operations.  
• Program Level: covers a single identifiable Program or group of Programs.  
| Conformity Assessment Body  | Independent third party organisations accredited to carry out Certification Audits.                                                                                                                                                                                                                                                  |
| (CAB)                       |                                                                                                                                                                                                                                                                                                                                       |
| Independent Accreditation   | A panel of 4-6 independent technical experts in the field of accreditation and certification audits and issues pertaining to the aluminium supply chain, responsible for periodically reviewing accreditation and certification processes and decisions in relation to awarding, maintaining, extending, reducing, suspending and/or withdrawing ASI Accreditations and ASI Certifications. |
| Review Panel (IARP)         |                                                                                                                                                                                                                                                                                                                                       |
| Individual Auditor          | Auditors attributed to a CAB (as employees or contractors) accredited to conduct ASI Certification Audits with defined:  
• Geographic Scope  
• Aluminium Supply Chain Sectors  
• Discipline Knowledge in specific fields pertaining to the aluminium supply chain  
• Lead Auditor status.                                                                                                                                                                                     |
| Member                      | An entity or group of entities that is a current member of one of ASI’s six membership classes:  
• Production and Transformation (eligible for ASI Certification)  
• Industrial Users (eligible for ASI Certification)  
• Civil Society                                                                                                                                         |
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| Oversight (ASI Oversight) | Assessment of a CAB’s and its Individual Auditors’ demonstration of competence to carry out certification audits.  
Note: ASI Oversight is the assessment of ASI Accredited Auditors demonstration of competence to carry out ASI Certification Audits by meeting the relevant mandatory requirements specified in Schedule 2 ASI Accreditation Requirements for Conformity Assessment Bodies and Schedule 3 Competency Requirements for Auditors Conducting ASI Audits, as it applies to the awarded ASI Accreditation Scope. |
| Support Personnel (CAB) | The CAB’s personnel providing assistance or conducting administrative activities for Individual Auditors to support ASI certification audits including:  
• Communication with the member  
• Managing the auditor’s requirements  
• Internal document control and records management.  |

4. REFERENCES
- ASI Assurance Manual
- ASI Auditor Accreditation Procedure
- ASI Complaints Mechanism
- ASI Governance Handbook
- ASI Certification Audit Report Oversight Assessment Procedure
- ASI Independent Accreditation Review Panel Selection and Management Procedure
- ASI Auditor Competence and Assessment Procedure
- ASI Standards Setting Procedure
- ISEAL Code of Good Practice for Assuring Compliance with Social and Environmental Standards
- ISO/IEC 17065:2012 Conformity assessment -- Requirements for bodies certifying products, processes and services

5. PROCEDURE
ASI’s Oversight Mechanism is designed to be comprehensive and integrated across a range of processes that comprise the ASI assurance model and support the overall integrity of the certification program.

There are five pillars that make up the ASI Oversight Mechanism as illustrated in Figure 1 below. The green boxes show processes and the blue boxes show how these are documented and/or reported:
Each of the five pillars is described further in the sections 5.1 through to 5.5, respectively.

5.1. ASI Assurance Processes

5.1.1 ASI Assurance Processes

1. ASI shall develop, implement and maintain oversight mechanisms as part of the ASI Assurance Model which includes mechanisms to oversee and check:
   - Processes for the independent certification of Members, as described in the ASI Assurance Manual.
   - Processes and criteria for the ASI Accreditation of Conformity Assessment Bodies and their Individual Auditors, as described in the ASI Auditor Accreditation Procedure.
   - Processes for the fair, timely and objective resolution of complaints relating to ASI’s standards setting processes, certification program, auditor conduct and ASI policies and procedures, as described in the ASI Complaints Mechanism

2. ASI oversight mechanisms and related processes shall be developed with the involvement of multidisciplinary stakeholders as described in the ASI Governance Handbook and the ASI Standards Setting Procedure, as applicable.

3. All self assessment and audits shall be recorded using the ASI assurance platform, elementAI. Members and Accredited Auditors will have access to relevant information to complete the audit in accordance with the processes described in the ASI Assurance Manual.

4. Audit Reports shall be subject to an internal oversight assessment to check that the audit process has been adhered to as per the processes described in the ASI Assurance Manual.
5.1.2 Oversight Transparency

5. ASI oversight mechanisms described in this procedure, and the documents in Item 1 shall be publicly available.
6. The publication of the Public Audit Summary Reports is also a means for feedback from stakeholders about Member certification audits.

5.2. Proxy Accreditation Oversight

5.2.1 Conformity Assessment Bodies

7. The ASI Auditor Accreditation Procedure shall specify the minimum requirements that Conformity Assessment Bodies must meet to become ASI Accredited Auditors. A ‘proxy accreditation’ model as described in the ISEAL Code of Good Practice for Assuring Compliance with Social and Environmental Standards shall be the basis for ASI Auditor Accreditation.
8. ASI Accredited Auditors shall be required to notify the ASI Secretariat of any changes to their external accreditation scope (e.g. to ISO/IEC 17021, and/or ISO/IEC 17065 and/or other technical equivalent standard), including any key findings and actions to correct these key findings, arising from periodic audits conducted by the CAB’s Accreditation Body/ies (see section 5.2.2).
9. ASI Accredited Auditors must continue to demonstrate their ongoing capacity to meet the requirements for ASI Accreditation as defined in the ASI Accreditation Procedure and the ASI Assurance Manual, by providing the ASI Secretariat with verifiable evidence of this on an annual basis. Evidence is to include the results of any internal audits, training programs, internal witness audits and auditor calibration processes.
10. ASI Accredited Auditors shall implement their own internal audits and management reviews to check they continue to meet the requirements of the ASI certification program. This includes capacity and competence of individual auditors and the CAB’s support personnel (e.g. administrative staff). ASI Accredited Auditors shall be required to notify the ASI Secretariat of any findings from the internal audits and reviews that may impact its ability to conduct ASI Certification Audits.
11. ASI Accredited Auditors shall be subject to the ASI Complaints Mechanism.
12. Non-conformities identified by the internal audits and management reviews or via the ASI Complaints Mechanism must be subject to corrective action with defined timeframes, with steps for verifying closure and effectiveness of the actions, as per the requirements of ISO/IEC 17021, and/or ISO/IEC 17065.
13. The results of the ASI Accredited Auditors’ internal audits and management reviews and any corrective actions shall be checked as part of the witness audits (see section 5.4.2).

5.2.2 Accreditation Bodies

14. Accreditation Body/ies play a key role in the ASI assurance model through ASI’s use of a proxy accreditation model. They provide publicly available information on the accreditation status and scope of applicant and currently accredited ASI Accredited Auditors, which is checked by ASI. They retain authority for decisions relating to the accreditation of CABs under their schemes.
15. Accreditation Body/ies, to support the CAB’s ISO/IEC 17021 and/or ISO/IEC 17065 and/or other technical equivalent standard accreditation for conducting certification audits, must themselves:
- be registered as a legal entity
- be a member of the International Accreditation Forum or equivalent organisation
- comply with ISO/IEC 17011:2006. This includes having processes in place for internal audits, management reviews, correcting non-conformities and managing external complaints
periodically check and confirm that the CAB’s ongoing conformance with ISO/IEC 17021 and/or
ISO/IEC 17065 and/or other technical equivalent standard, and where gaps are identified, ensure the
CAB has developed action plans to address and correct these gaps.
16. For any non-conformities or events which may compromise the integrity of the third-party assurance
process, ASI or the Conformity Assessment Body shall inform the relevant Accreditation Body/ies of their
nature and any associated corrective action requirements.

5.3. Auditor Competence and ASI Training

5.3.1 Auditor and Support Personnel Competence
17. The ASI Auditor Accreditation Procedure shall nominate the minimum competency requirements for ASI
Individual Auditors and support personnel.
18. The ASI Secretariat shall, on an annual basis, confirm information about Individual Auditors with the ASI
Accredited Auditor, and seek verifiable evidence that the Individual Auditor continues to meet the
minimum competency requirements specified in the ASI Auditor Accreditation Procedure and the ASI
Auditor Competence and Assessment Procedure.

5.3.2 Auditor and Support Personnel Training
19. The ASI Secretariat will develop and deliver mandatory initial and refresher training modules for all
Individual Auditors. Training modules will cover learning objectives for (but not limited to):
   • ASI Standards
   • ASI Assurance Model
   • Risks and sector specific issues for the relevant aluminium supply chain sectors.
20. Individual Auditors undergoing ASI training modules will need to demonstrate understanding of the
learning objectives in each module through formal assessment or by other means as determined by the
ASI Secretariat, as set out in the Auditor Competence and Assessment Procedure.
21. Additional specific training and professional development to ensure the calibration of Individual Auditors
may be developed, offered or required by ASI on a needs basis.
22. The ASI Accredited Auditor’s support personnel are encouraged to participate in the ASI Auditor training
modules but completion of the ASI Auditor training is not mandatory for support personnel.

5.4. Internal and External Audit Quality Assurance

5.4.1 Internal Certification Oversight and Quality Assessment
23. The ASI Secretariat will check and review all ASI Certification Audit Reports (as per the ASI Assurance
Manual) in accordance with the ASI Certification Audit Report Oversight Assessment Procedure.
24. Oversight assessment aims to:
   • Confirm that the ASI Accredited Auditor’s scope is compatible with the Entity’s Certification Scope
   • Confirm that the Audit process is consistent with the instructions to Auditors outlined in the ASI
5.4.2 Witness Audits

25. Periodic witness audits and reviews by an independent assessment team assigned by the ASI Secretariat shall be conducted on ASI Accredited Auditors (ASI Accredited CAB’s and/or their Individual Auditors). The independent assessment team shall:
   • be free of potential professional conflicts of interests with both the ASI Accredited Auditor being witnessed and the member organisation. Matters relating to commercial confidentiality will also be addressed prior to the conduct of a witness audit.
   • be trained by the ASI Secretariat so that they understand the relevant aspects of the ASI certification program including what is expected of ASI Accredited Auditors conducting ASI Certification Audits.

26. Selection of ASI Accredited Auditors for witness audits and reviews shall be risk based as follows (in order of highest to lowest priority):
   • ASI Accredited Auditors and their Individual Auditors identified during an investigation associated with incidents or complaints
   • ASI Accredited Auditors and their Individual Auditors conducting certification Audits of Members with high risk activities
   • Accredited Auditors and their Individual Auditors that have not had witness audits conducted by the CAB’s accreditation body
   • All other Accredited Auditors and their Individual Auditors

5.4.3 Independent Accreditation Review Panel

27. ASI shall establish an Independent Accreditation Review Panel (IARP) with membership comprising of nominally 4-8 independent technical experts in the field of accreditation and certification audits, and issues pertaining to the aluminium supply chain, as described in the ASI Independent Accreditation Review Panel Selection and Management Procedure.

28. The IARP is responsible for periodically reviewing accreditation and certification processes and decisions in relation to awarding, maintaining, extending, reducing, suspending and/or withdrawing ASI accreditations and ASI Certifications.

29. The independent technical experts will be appointed by the Board for a two-year term for a maximum of three consecutive terms, subject to approval by the Board.

30. The ASI Secretariat will recommend candidates for the IARP to the Board. The ASI Secretariat will consider candidates nominated by ASI members or external stakeholders.

31. Candidates will be selected based on relevant experience and independents including:
   • Knowledge of accreditation and certification processes
   • Knowledge of key aluminium value supply chains risks relevant to the ASI Standards, such as (but not limited to):
     o responsible supply chain operations, governance and responsible sourcing (e.g. anti-corruption, due diligence, etc), and/or
     o environmental impacts (e.g. biodiversity, greenhouse gas emissions, etc), and/or
     o social issues including human rights (e.g. human rights impact assessment, human rights due diligence, etc) and labour rights (e.g. occupational health & safety, etc).
   • Independence from ASI activities (including Board, Committee and Working Groups) and decision making including provision of consultancy services and/or audits for Members.
32. One of the IARP roles will be reserved for a candidate nominated or reviewed by the Indigenous Peoples Advisory Forum, to provide a perspective on Indigenous issues within the ASI assurance process. The candidate will not be a person that is already on the Board, any Committee or Working Group.

33. Two months after the end of each calendar year, the IARP will initiate the conduct of an annual accreditation and certification consistency review to assess the consistency of accreditation and certification processes and related decisions conducted during the previous calendar year. The purpose of the review is to identify opportunities for improvement in the:
   - Activities of the ASI Secretariat in relation to ASI Accreditation and ASI Certification
   - Activities of ASI Accredited Auditors in relation to ASI Certification Audits
   - Effectiveness of internal systems and procedures, including auditor guidelines
   - Impartiality of decision-making for accreditation and certification, as defined by the impartiality requirements in the international standard ISO/IEC 17011.

34. The IARP shall review the effectiveness of the accreditation and certification processes based on evidence, including a review of audit reports, oversight assessments, accreditation approvals and issue of certifications. The IARP will conduct its review professionally and respect commercially sensitive and confidential information. Matters that are sensitive and/or related to commercial confidentiality will be addressed prior to the commencement of the IARP review.

35. The IARP shall report its findings to the ASI Secretariat and the Board within 1 month of completing the review.

36. The Board and ASI Secretariat shall review the IARP report, and as required, implement corrective actions to continually improve the ASI accreditation and certification processes based on the findings and recommendations arising from the IARP review. Significant IARP findings may also trigger investigation and follow-up processes in accordance with the ASI Complaints Mechanism.

5.4.4 ISEAL Membership Reviews

37. ASI will apply for membership of the ISEAL Alliance and undergo independent assessments for compliance with ISEAL's Codes of Good Practice.

38. ASI will review findings from the ISEAL independent review and implement corrective actions to continually improve the ASI Accreditation Model and associated processes.

5.4.5 Management Reviews and Reports

39. On an annual basis, the ASI Secretariat will conduct a management review to assess the effectiveness of the Oversight Mechanism and the assurance model.

40. Types of information used to inform management reviews will include:
   - The results of all Audit Oversight activities described in section 5.4
   - Concerns raised through the ASI Complaints Mechanism or by other means
   - Feedback from ASI surveys
   - Relevant data collected under the ASI Monitoring and Evaluation Plan
   - Risk assessments including risks to impartiality (see definition in ISO 17011)
   - Strategic changes for ASI and their implications

41. The agenda, content, discussion points and key decisions arising from the management review will be documented in a report prepared by the ASI Secretariat. The report will include recommendations to address gaps, establish new or make changes to existing risk mitigation measures (including for risks to the
credibility and impartiality of the ASI oversight processes and assurance model) and any opportunities for improvement.

42. Reports will be provided to the ASI Board and the Independent Accreditation Review Panel for their review and consideration as appropriate. Opportunities for improvement will be identified and implemented.

5.5. Public Reporting

43. Within 6 months of the end of the previous calendar year, a summary report of the results of all audit oversight activities (described in section 5.4) conducted during that year will be published on the ASI website. This may be a stand-alone report or as part of the ASI Annual Impacts Report.

44. Other issues based reports (e.g. based on an incident/complaint investigation or industry lesson/update, etc.) may also be prepared and released by the ASI Secretariat in line with ASI’s commitment to oversight transparency and sharing of information.

45. Note that these reports will contain aggregate and anonymised information in line with ASI’s Antitrust Compliance Policy and other relevant ASI documents.

46. Reports will be available electronically via the ASI website.

6. RECORDS

Records associated with oversight mechanisms described in the procedure will be securely maintained by the ASI Secretariat for 5 years from the date the records were generated.

7. DOCUMENT CONTROL

<table>
<thead>
<tr>
<th>Document Name</th>
<th>ASI Oversight Mechanism</th>
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<tbody>
<tr>
<td>Document ID</td>
<td>ASI-PRO-4</td>
</tr>
<tr>
<td>Revision</td>
<td>Version 1</td>
</tr>
<tr>
<td>Publication Date</td>
<td>31 August 2018</td>
</tr>
<tr>
<td>Approved By</td>
<td>ASI Board</td>
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<tr>
<td>Next Review Date</td>
<td>3 years or as required</td>
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Please refer to the ASI Website for the latest version of this procedure.