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AUDIT INTEGRITY – Compliances on ISO 19011:2011 and ISO 17021:2011

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Prepared for and to be presented in RSPO-RT 10 , Singapore, 30th October 2012

Menu of the day!

- **Quick Facts (Introduction)**
- **Audit principles based on ISO 19011**
- **ISO 17021 approaches.**
- **Lesson learnt**
- **Q&A**

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Quick Facts of British Standard Institution (BSI)

- Established in 1901, BSI was the world's first National Standards Body (UK).

- Together our clients account for 78% of the FTSE 100, 53% of the Nikkei, and 44% of both the Fortune 500 and Hang Seng listed companies.

- BSI is one of the world's largest independent certification bodies for management systems, with over 100,000 registered sites across the globe.

- In 2011, BSI provided practical training for approximately 66,000 people worldwide on how to implement and operate standards.

- 8 out of the 10 most popular standards today began as a British Standard before being adopted by the International Organization for Standardization (ISO).

- BSI developed a sustainable events standard (BS 8901) for the London 2012 Olympics and Paralympic Games; the London 2012 Organising Committee (LOCOG) was the first of its type to achieve certification.

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Quick Facts of BSI

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64,000 clients in over 147 countries worldwide

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ISO 19011

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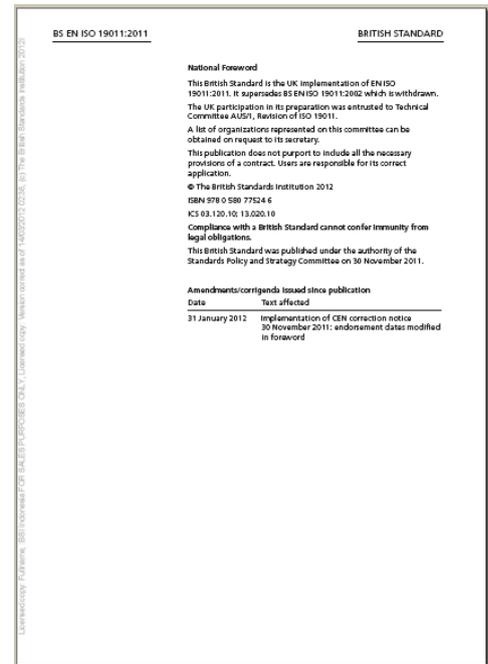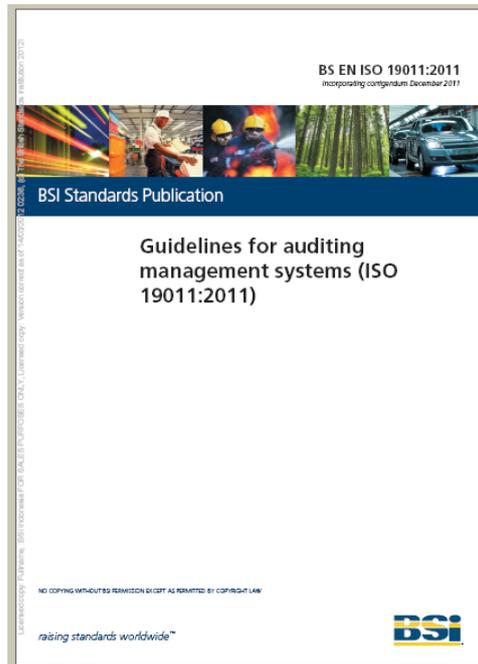
Quick Facts - ISO 19011

- As guidance/tool for auditors to conduct management system audits or equivalent in appropriate manner

- Covering audit techniques and audit principles for Auditors, such as Integrity, ethical during audit, auditor competencies, objective evidence approaches, etc.

- All Accredited/Approved CBs to conduct audits (e.g. ISO 9001/14001/RSPO/SFM/etc) shall be implemented and complied with this standard.

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ISO 17021

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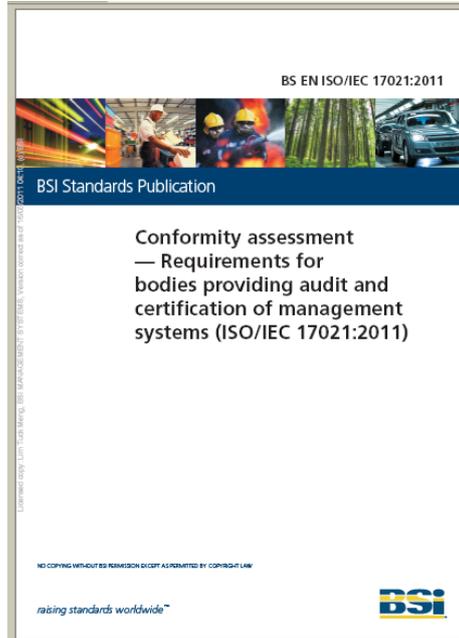
Quick Facts - ISO 17021

- Requirements for bodies providing audit and certification of management systems – Conformity Assessment.

- Before conducting certification audits, CB shall apply and comply with this standard. *Not comply with ISO 17021 >> cannot be Accredited/approved >> cannot conduct audits.*

- Consists of General requirements, Certification process, Impartiality of CB, competency of audit team, Responsibility for each authorize personal, Openness of audit, Confidentiality of audits, Responsiveness to complaints, Appeal, etc.

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Audit Principles based on ISO 19011

- ISO 19011:2011 sets out audit principles as guidance for an auditor conducting audit

- These principles should help to make the audit an effective and reliable tool in support of management policies and controls, by providing information on which an organization can act in order to improve its performance.

- Adherence to these principles is a prerequisite for providing audit conclusions that are relevant and sufficient and for enabling auditors, working independently from one another, to reach similar conclusions in similar circumstances.

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Audit Principles based on ISO 19011

- **Integrity:** the foundation of professionalism.

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

- **Due professional care:** the application of diligence and judgment in auditing.

- **Confidentiality:** security of information.

- **Independence:** the basis for the impartiality of the audit and objectivity of the audit conclusions.

- **Evidence-based approach:** the rational method for reaching reliable and reproducible audit conclusions in a systematic audit process

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ISO 17021 approaches

- **Impartiality**

Being impartial, and being perceived to be impartial, is necessary for a certification body to deliver certification that provides confidence.

To obtain and maintain confidence, it is essential that a certification body's decisions be based on objective evidence of conformity (or nonconformity) obtained by the certification body, and that its decisions are not influenced by other interests or by other parties.

Threats to impartiality include the following: Self-interest, Self-review, Familiarity (or trust), and Intimidation threats

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ISO 17021 approaches

- **Responsibility**

The certification body has the responsibility to assess sufficient objective evidence upon which to base a certification decision. Based on audit conclusions, it makes a decision to grant certification if there is sufficient evidence of conformity, or not to grant certification if there is not sufficient evidence of conformity.

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ISO 17021 approaches

• **Openness**

A certification body needs to provide public access to, or disclosure of, appropriate and timely information about its audit process and certification process, and about the certification status (i.e. the granting, extending, maintaining, renewing, suspending, reducing the scope of, or withdrawing of certification) of any organization, in order to gain confidence in the integrity and credibility of certification. *Openness is a principle of access to, or disclosure of, appropriate information.*

To gain or maintain confidence in certification, a certification body should provide appropriate access to, or disclosure of, non-confidential information about the conclusions of specific audits (e.g. audits in response to complaints) to specific interested parties.

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ISO 17021 approaches

• **Confidentiality**

To gain the privileged access to information that is needed for the certification body to assess conformity to requirements for certification adequately, it is essential that a certification body keep confidential any proprietary information about a client.

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ISO 17021 approaches

- **Responsiveness to complaints**

Parties that rely on certification expect to have complaints investigated and, if these are found to be valid, should have confidence that the complaints will be appropriately addressed and that a reasonable effort will be made to resolve the complaints. Effective responsiveness to complaints is an important means of protection for the certification body, its clients and other users of certification against errors, omissions or unreasonable behavior. Confidence in certification activities is safeguarded when complaints are processed appropriately.

ISO 17021 approaches

- **Appeals and Complaints**

The certification body shall have a documented process to receive, evaluate and make decisions on Appeals and Complaints

The certification body shall be responsible for all decisions at all levels of the *Appeals*-handling process. The certification body shall ensure that the persons engaged in the *Appeals*-handling process are different from those who carried out the audits and made the certification decisions.

Upon receipt of a *Complaint*, the certification body shall confirm whether the *Complaint* relates to certification activities that it is responsible for and, if so, shall deal with it. If the complaint relates to a certified client, then examination of the *Complaint* shall consider the effectiveness of the certified management system.

ISO 17021 approaches

- **Appeals and Complaints**

The certification body receiving the complaint shall be responsible for gathering and verifying all necessary information to validate the complaint.

Whenever possible, the certification body shall acknowledge receipt of the Complaint/Appeal, and shall provide the Complainant/Appellant with progress reports and the outcome.

Whenever possible, the certification body shall give formal notice of the end of the Complaints/Appeals-handling process to the Complainant/Appellant.

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Lesson Learnt

1) How CB ensure reliable reporting to avoid wrong interpretation of reality on the ground in preventing complaints from stakeholders??

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Lesson Learnt

1) How CB ensure reliable reporting to avoid wrong interpretation of reality on the ground in preventing complaints from stakeholders??

Selection of Auditors who have sufficient competencies in audits with regards to follow and apply audit techniques

Applying "Audit Principles" during the audit on the ground (i.e. Integrity, professionalism, fair presentation, confidentiality, Independence, and Evidence-based approach.

Meet with stakeholders and other interested parties to gather specific information/issues (if any), it would then verify the issues to the clients based on evidence found.

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Lesson Learnt

2) How CB maintain it's position to avoid conflict of interest in reporting any sensitive issues

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Lesson Learnt

2) How CB maintain it's position to avoid conflict of interest in reporting any sensitive issues?

Competency analysis for each auditor shall taking place, includes conflict of interest.

Selected Auditors with eligible competencies to be professional, fair presentation, and evidence-based approach in reporting.

Monitoring of competency for each auditor should be undertaken regularly in order to see and check either the auditor can maintain their competencies including conflict of interest. For example: Scheme manager carry out witness on-site assessment for auditors once in a year.

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Thank you

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