



INTERNATIONAL CYANIDE MANAGEMENT INSTITUTE

Auditor Criteria

For The International Cyanide Management Code

www.cyanidecode.org

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AUDITOR CRITERIA

Introduction

Determining an operation's compliance with the International Cyanide Management Code is the responsibility of the independent third-party auditor. In order that these decisions be credible and supportable, it is vital that the auditor(s) conduct the audit in a professional manner, are familiar with the type of operation being audited, are skilled in audit procedures, and have no conflict of interest with the operation being audited. The criteria discussed below are designed to ensure that Code auditors meet these qualifications.

Some of the criteria apply to all auditors on an audit team, including the lead auditor, while other criteria apply only to the lead auditor. However, the International Cyanide Management Institute (ICMI) does not specify the make-up of an audit team nor does it mandate a minimum number of auditors. If an operation elects to have a single auditor conduct its Verification Audit, then that auditor must meet all of the criteria.

It is the responsibility of each operation contracting for audit services to ensure that the selected auditor(s) meet these criteria. The auditor(s) must provide the information required on the *Auditor Credentials Form* demonstrating that they meet the ICMI criteria. This information will be included with the Summary Audit Report for each certified operation and will be posted on the ICMI web site for public review.

Auditor Criteria

Experience/Expertise

1. All auditors other than the lead auditor must have a minimum of 3 years of experience with the type of operation being audited. At least one auditor must have 7 years of experience with the type of operation being audited.

Discussion

This requirement is intended to ensure that auditors are familiar with the standard activities at the type of operation being audited. Auditors for mining operations must have experience in areas such as reagent handling, production activities and tailings management at mines using cyanidation techniques. Auditors of cyanide production operations must have experience and familiarity with chemical production facilities in general but not with cyanide production facilities specifically. Auditors of cyanide transportation operations must have experience and familiarity with transport of hazardous materials but need not have specific experience with transport of cyanide. It is not necessary for auditors of one type of operation, such as a gold mine, to have experience with other types of operations, such as chemical production or hazardous materials transportation.

Auditor experience and expertise can be in the operation of a cyanidation facility, chemical production facility or transport company, or in health, safety or environmental management related to that industry. The auditor may have gained experience as an employee of a company involved in the type of activity being audited, as a consultant to that industry, as a

government official responsible for regulating that industry, or as an auditor providing audit services to that industry.

If the auditor was not directly employed in the type of operation being audited, at least 20% of time must have been spent during those 3 or 7 years of experience involved with the type of operation being audited.

2. All auditors must have participated in at least 3 environmental, safety and/or health audits, assessments, inspections or reviews in the seven years prior to the audit.

Discussion

Auditors must be capable of inspecting a site, reviewing documents, interviewing personnel and evaluating this evidence to reach conclusions regarding compliance with the Code. Auditors therefore must be experienced in conducting environmental, safety and/or health reviews. This experience may include environmental, safety or health assessments, inspections or reviews, as well as formal audits as long as it was based on compliance with specific internal or external guidelines or requirements, included a site inspection and evaluated the site's on-the-ground implementation of its environmental, safety and/or health management systems.

The required experience in conducting such reviews is not limited to the use of cyanide or to the type of industry to be audited. Experience with environmental, safety and/or health reviews of any industrial activity would qualify as long as the industrial activity has relevance to the type of activity to be audited. For example, an environmental compliance review of a base metal mine or of a chemical manufacturing facility would qualify as auditing experience for auditing a gold or silver mine.

3. The lead auditor must have organized and/or directed at least 3 environmental, health or safety audits in the 7 years prior to the Code audit.

Discussion

The lead auditor must possess the necessary auditing skills and knowledge and the leadership ability to direct the members of the audit team and to ensure that decisions regarding the operation's compliance with the Code are supported by the factual audit findings. Unlike the experience required of other members of the audit team, the lead auditor's experience must be as the leader of formal environmental, health or safety audits rather than of less formal reviews, inspections or assessments. A formal audit is a systematic and documented verification process of objectively obtaining and evaluating audit evidence to determine whether specified environmental, health or safety activities, events, conditions, management systems, or information about these matters conform with specified internal or external guidelines, requirements or criteria. The audits must have used a detailed audit protocol or questionnaire to evaluate environmental, health and/or safety management systems and on-the-ground implementation of established procedures, and included a site visit, review of documents and records and interviews with site personnel. The audit must result in preparation of a written report of its findings. An individual who has been the sole auditor for such an audit is considered to be the lead auditor even though there was no audit team.

Certification by a Self-Regulating Professional Organization

1. The lead auditor must be certified as a professional environmental, health or safety auditor by a self-regulating professional organization. Certification as a professional auditor in another discipline is acceptable only if the certification is relevant to auditing the Code and the auditor can demonstrate knowledge of environmental, health or safety issues.

Discussion

The lead auditor has the ultimate responsibility for ensuring that the audit is conducted in a thorough and professional manner, and for making the final decision whether the operation is in compliance with the Code. Therefore, the lead auditor also must have demonstrated knowledge and understanding of auditing principles as well as dedication to the ethical performance of his or her professional duties.

In order to ensure the lead auditor meets these standards, certification as a professional auditor by a self-regulating professional organization is required. Such certification subjects both the technical and ethical aspects of the lead auditor's conduct to continuing oversight and evaluation, and provides a mechanism for potential discipline, including loss of professional certification, for substandard or unethical conduct.

The certification must be as an environmental, health or safety auditor or environmental, health or safety management systems auditor at any grade or level other than an entry or provisional level. Auditors with other types of professional auditor certifications are acceptable only if their auditor training and qualifications are relevant to a Code audit and the auditor can demonstrate education and/or experience in environmental, health or safety issues. Certifications that are not specific to auditing are not acceptable. Certification as a lead auditor is not necessary since the Code requires that the lead auditor have specified experience in this capacity.

The necessary certification must be from a professional organization with the following attributes:

- A Code of Ethics that the certified professional auditors must follow;
- A process by which certification can be revoked if an auditor is found to have conducted an audit in an unethical or unprofessional manner;
- Requirements for education, experience and/or expertise for initial certification; and
- Requirements for continuing professional development or education and continuing auditing experience for maintaining certification.

Examples of acceptable professional organizations include but are not limited to the following:

- Board of Environmental, Health and Safety Auditor Certifications (USA)
- Canadian Environmental Certification Approvals Board (Canada)
- Institute of Environmental Management and Assessment (United Kingdom)
- International Register of Certified Auditors (United Kingdom)
- National Registry of Environmental Professionals (USA)

- Exemplar Global (USA, Australasia)
- South African Auditors and Training Certification Association (South Africa)

Conflict of Interest

1. No auditor can audit any aspect of the operation's cyanide management system that the auditor's company was primarily responsible for designing or developing.

Discussion

An auditor cannot review and evaluate his or her own work or that of his co-workers. If the auditor or his company was responsible for the preparation of a particular aspect of an operation's cyanide management system (e.g., design of an operation's heap leach facility, preparation of a water balance or Emergency Response Plan), another member of the audit team not affiliated with the company that prepared that part of the management system must conduct those parts of the audit evaluating that area. However, this requirement does not prohibit an auditor who has conducted prior audits or pre-verification Code audits for the operation, and who has assisted in developing action plans to address any identified deficiencies, from conducting the operation's Code Verification Audit.

2. No auditor can conduct a Code Verification audit of an operation more than twice consecutively. No audit company can conduct a Code Verification audit of an operation more than three times consecutively.

Discussion

Auditors are prohibited from conducting a Code Verification audit of an operation more than twice consecutively. Audit companies are prohibited from conducting a Code Verification audit of an operation more than three times consecutively. Pre-audits or gap analysis conducted prior to the actual Code Verification audit for the purpose of identifying potential non-compliance or areas that may need improvement are not included in this prohibition. The re-audit of an operation that has implemented a Corrective Action Plan after being found in Substantial or Non-Compliance is considered to be part of the original audit rather than a separate audit.

This prohibition applies to the specific operation itself, regardless of its ownership. A change in ownership does not affect this prohibition. However, an auditor may conduct a Code Verification audit at other operations of the same owner as long as the auditor does not conduct more than two consecutive audits at a given operation. Similarly, an audit company may conduct a Code Verification audit at other operations of the same owner as long as the audit company does not conduct more than three consecutive audits at a given operation.

3. No auditor can have been an employee of the operation or its parent company for one year prior to the audit.

Discussion

This requirement is intended to prevent an employee of an operation or its parent corporation from leaving a position with the company in order to audit the operation and/or other operations of the parent corporation.

4. No auditor or audit company can derive more than 30% of his or her income from the operation being audited, its parent corporation and other subsidiaries of parent corporation, as an average over the five year period prior to the year of the audit.

Discussion

The 30% figure is calculated on the total income of the auditor or audit company and is not limited to that of the single division or regional entity employing the auditor. This prohibition does not include income derived from any type of health, safety or environmental assessments, reviews, inspections, audits, Code Verification audits, Code pre-audits or gap analyses, nor does it include income from development of action plans to address deficiencies identified in such reviews. However, income derived from the preparation of designs, plans, procedures or other aspects of an operation's cyanide management system or program, or activities unrelated to cyanide management, is counted as part of the allowable 30%.

For individual auditors who were employed by the company being audited, its parent company, or another subsidiary of the parent company less than five years prior to the audit, the averaging time for income derived from these entities is reduced to the time since leaving the company.