



ResponsibleSteel Oversight Mechanism

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Disclaimer

The official language of this document is English. The definitive version is held on the ResponsibleSteel website <https://www.responsiblesteel.org/>. Any discrepancy between copies, versions or translations shall be resolved by reference to the definitive English version.

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Introduction, purpose and scope of application of this document

The Oversight Mechanism plays an essential role in ensuring the credibility, independence, and quality of ResponsibleSteel assurance activities.

This Procedure describes the Oversight Mechanism defined by ResponsibleSteel. It covers processes such as certification body (CB) and individual auditor assessment, approval maintenance and possible sanctions, including suspensions and withdrawals of approvals.

This Procedure also explains the duties and responsibilities of the ResponsibleSteel Secretariat, of the ResponsibleSteel Standard, Assurance and Claims Committee (SACC), the Assurance Panel and the CBs and auditors and is binding for these parties.

This Procedure applies to all types of auditing and certification activities related to ResponsibleSteel.

ResponsibleSteel reserves the right to outsource oversight partially or completely to an external party, referred to as Oversight Body. In such cases, an agreement will be in place between RS and the Oversight Body to determine roles and responsibilities to be implemented by them on behalf of ResponsibleSteel.

About ResponsibleSteel

ResponsibleSteel is a not-for-profit organisation and the industry's first global multi-stakeholder Standard and certification initiative for responsible steel supply chains.

Our Vision is to maximise steel's contribution to a sustainable society.

Our Mission is to enhance the responsible sourcing, production, use and recycling of steel by:

- Providing a multi-stakeholder forum to build trust and achieve consensus;
- Developing standards, certification and related tools;
- Driving positive change through the recognition and use of responsible steel.

Recognising that all of these elements are important, ResponsibleSteel developed an independent certification programme that aims to be in line with the Codes of Good Practice set by the ISEAL Alliance.

The ResponsibleSteel assurance model

ResponsibleSteel's assurance model is designed to respond to stakeholder needs and expectations and to align with the requirements outlined in the ISEAL Code of Good Practice. To this end, the Assurance Manual focusses on the following principles:

- Fair and objective treatment of certification clients
- Adequate intensity of the assurance process
- Consistent application of assurance requirements, regardless of the context or the involved individuals
- Assurance activities carried out by competent individuals
- Building on or aligning with other relevant systems
- Providing meaningful opportunities for stakeholders to engage in audits
- Transparency with regards to the assurance process and audit results
- Affordable, culturally sensitive, comprehensible assurance that is within reach of the targeted certification clients

The key characteristics of audits against the ResponsibleSteel Standard are:

- Third-party audits and certification decisions to enable high levels of independence and impartiality
- Site visits to enhance confidence in audit findings
- Stakeholder engagement in audits to ensure a rich and balanced collection of information and evidence
- Risk-based quality control through the ResponsibleSteel Secretariat and an independent Assurance Panel
- Transparent audit findings and certification decisions to build and maintain trust in the ResponsibleSteel programme

ResponsibleSteel's assurance system is regularly reviewed to reflect emerging good practice in assurance and to take account of implementation experience by:

- Auditors
- Sites and certification clients
- Assurance Panel members
- The ResponsibleSteel Secretariat and
- Other stakeholders

Revisions and changes to the assurance system and their effective dates are clearly and promptly communicated to these parties.

Roles and Responsibilities in the Oversight Mechanism

ResponsibleSteel Secretariat

The roles and responsibilities of the ResponsibleSteel Secretariat is to implement the oversight mechanism, including, but not limited to:

- Implement the procedure defined in the Assurance Manual for CB approval, auditor qualification and approval, audit days approval and review of audit reports as well as reviewing audit-related information as specified in the Assurance Manual
- Define oversight activities to be implemented during the year and inform the SACC accordingly
- Schedule or coordinate the scheduling of oversight activities
- Issue non-conformities (NCs) and sanctions to CBs and/or auditors
- Review root cause analyses, corrections and/or corrective actions proposed by CBs
- Propose to the SACC the sanctions to CBs and/or auditors
- Inform CBs about imposed sanctions and consequences
- Update webpage with the status of sanctions to CBs
- Conduct the necessary investigations triggered by the appeals procedure and by the Issues Resolution System
- As applicable, review and monitor actions taken by the oversight body and/or auditors

Oversight Body

ResponsibleSteel may outsource part of the responsibilities attributed to the ResponsibleSteel Secretariat to one or more external parties that will act as Oversight Bodies. The Oversight Bodies will be independent of the certification bodies. In such cases, an agreement will be in place between RS and the external parties to determine roles and responsibilities to be implemented by these parties.

ResponsibleSteel approved certification bodies and auditors

- Implement their activities following the rules presented in the Assurance Manual and correctly interpret the requirements of RS Standard
- Facilitate implementation of oversight activities, such as witnessing of audits, by the RS Secretariat or by an Oversight Body contracted by RS
- Where required, submit plans for corrections and corrective actions to resolve issues that led to a sanction and to avoid their recurrence. In summary, the roles and responsibilities of approved certification bodies and auditors include:

ResponsibleSteel Standard, Assurance and Claims Committee

- Decide on more severe sanctions to CBs and/or auditors (e.g. suspension and withdraw)
- Review appeals on request of the Secretariat, following the ResponsibleSteel Issues Resolution System

Oversight Mechanism structure and functioning

The ResponsibleSteel oversight mechanism is composed of the following elements:



a. Certification Body (CB) approval

ResponsibleSteel follows a strict process to approve new CBs as per the rules presented in the Assurance Manual. Proxy accreditation to ISO 17021 is required by ResponsibleSteel.

Maintenance of approval is upheld as per the Assurance Manual.

b. Auditor training and approval

ResponsibleSteel approves each auditor individually once they have demonstrated that they meet the qualification requirements and have completed the mandatory training program as per description in the Assurance Manual.

c. Audit report reviews

As described in the Assurance Manual, the ResponsibleSteel Secretariat conducts a review of all audit reports. In addition, ResponsibleSteel certification includes a review of all audit reports with a positive (re-)certification recommendation by an independent Assurance Panel.

d. CB and auditor assessment

The number, scope and duration of CB and auditor assessment activities will be determined by ResponsibleSteel using a risk-based approach. Please check the Annex 1 of this procedure to check more details on the risk-based approach adopted by RS to define the assessment activities.

Where issues have been raised by stakeholders about actions or inactions of a CB or auditor, investigation of the issues will follow this Oversight Procedure and the Issues Resolution System.

The following types of CB/auditor assessment activities are part of the RS oversight mechanism:

I. CB office assessments

II. Witness assessments

III. Review assessments

All of the above assessment activities will result in a report produced by ResponsibleSteel and shared with relevant stakeholders, including affected CBs and auditors. More detailed information about each specific assessment activities are presented below.

I. CB office assessments

These are onsite or remote assessments of CB processes, procedures and documentation to understand whether RS' requirements have been integrated into the CB's management system and whether they are appropriately implemented. These assessments include, but are not limited to:

- A review of the certification management system and related documentation
- Review of a sample of the certification records of the CB to check interpretation of the Standards and Assurance Manual rules by the CB
- Interviews with CB personnel, certified clients (if needed) and other stakeholders (if needed) to evaluate different aspects of CB and auditor performance
- Verification of CB implementation of corrections and corrective actions, other compliance-related information

Office assessments may be unannounced or on short notice where this seems advisable, for example in case of a complaint investigation.

II. Witness assessments

Observation of the CB's auditor(s) during stage 2 audits to determine to what extent the auditor is correctly interpreting the Standard's requirements and implementing the RS auditing process according to the Assurance Manual. Witness assessments are usually conducted during the on-site visit to a certification client.

The CB has to notify the auditee of the RS presence during the audit and support RS with the logistics of witnessing.

III. Review assessments

This assessment is conducted by an approved ResponsibleSteel auditor to evaluate the performance of a CB's auditor(s) by comparing the auditors' findings with reality. It comprises a visit to a certification client, independently of the CB. The review assessment is performed after a CB's audit has been conducted and can therefore be carried out any time.

The CB shall, upon confirmation of ResponsibleSteel to perform a review audit, provide all required information for the ResponsibleSteel audit team to prepare for such an audit.

ResponsibleSteel can also independently evaluate certification client compliance with the applicable Standard requirements at any time as part of an investigation or quality control process.

Most review assessments are announced to the certification client in advance. However, ResponsibleSteel reserves the right to perform an unannounced review assessment or to conduct it on short notice.

e. Auditor calibration and further qualification

Calibration of auditors is a key element in the assurance system, as the same Standard requirement may be interpreted differently by different auditors. To ensure alignment of auditors, ResponsibleSteel adopts the following steps for auditor calibration and further qualification:

- The ResponsibleSteel Standard contains very detailed guidance on the requirements, bringing clarity to the auditors when assessing an issue and deciding on the final conformity classification.
- During the review of audit reports, feedback loops with the CBs and auditors help address inconsistencies and ambiguity identified in the report.
- ResponsibleSteel conducts systematic reviews of all audit reports, comparing findings and reasonings for the given conformity classifications. This helps ResponsibleSteel to identify inconsistencies across CBs and auditors and take actions to address systemic issues.
- ResponsibleSteel implements calibration and training sessions for approved auditors following a defined schedule. These sessions are based on the outcomes of the audit report reviews and on exchanges with CBs and auditors on their main issues/doubts during the audits.
- All approved auditors and the CBs RS program managers should participate in calibration and training sessions. Where this is not possible, CBs must send at least one approved auditor or their RS program manager to each of the calibration and training sessions. It is the responsibility of the CBs participants to ensure that approved auditors who could not participate in the sessions are briefed on the sessions contents.
- ResponsibleSteel Helpdesk and Q&A
- The ResponsibleSteel Secretariat shares updates as needed with CBs and auditors for the purpose of calibration, including, but not limited to:
 - o Auditor questions and doubts raised with the ResponsibleSteel Secretariat
 - o Sharing implementation learnings
 - o Advising of upcoming calibration, training and assessment activities.

f. CB and auditor sanctions

ResponsibleSteel has the right to impose sanctions on CBs and auditors in case that:

- they repeatedly fail to comply with the requirements of the ResponsibleSteel Assurance Manual, of ISO 17021 or of other normative documents,
- they have breached the terms of the ResponsibleSteel CB Agreement, or
- there is clear evidence of improper procedure implementation or behaviour that jeopardizes the credibility of ResponsibleSteel

I. CB sanctions

There are four levels of sanctions that ResponsibleSteel can impose on CBs:

- A warning
- Increased oversight
- A Suspension
- A Withdrawal

Warning:

A warning is a low-level sanction. Repeated warnings can lead to a higher level of sanction.

Cases where a warning may be issued include, but are not limited to:

- Unjustified delay during the certification process or in communication with ResponsibleSteel.
- Action plans that do not address identified NCs or that are not carried out in a timely manner.
- Inaccurate or incomplete information provided to ResponsibleSteel in relation to auditing and certification activities.
- Violations of the Assurance Manual and other normative requirements.

Warnings are issued in writing, clearly stating the reasons for the warning. After receiving a warning, the CB submits an action plan to RS to address the issues and implement the plan within the timeframe requested by RS. Not fulfilling this requirement can lead to an upgrade of the sanction. ResponsibleSteel will evaluate effective implementation of the plan. Warnings are not published on the ResponsibleSteel website.

Increased Oversight:

Where the performance of a CB continues to be lacking, ResponsibleSteel can increase the level of oversight applied to the CB. This may take the form of a higher number of office, witness and review assessments. The costs for the additional assessments will have to be borne by the respective CB. The assessments will be carried out as described in the above paragraphs.

Suspension:

Suspension is the third level of sanctions and includes 2 different types:

- Temporary suspension: for a maximum 6 months, the CB is not allowed to conduct certification, surveillance and special audits, nor sign contracts with new certification clients until the issue(s) that led to the sanction are resolved.
- Partial suspension (limited in geographic scope): for a maximum 6 months, the CB is not allowed to conduct certification, surveillance and special audits, nor sign contracts with new certification clients for the geographic scope covered by the sanction until the issue(s) that led to the sanction are resolved.

Situations that may warrant a suspension include, but are not limited to:

- Continued misconduct after having received a warning in the previous 12 months.
- When the CB doesn't follow a decision taken by ResponsibleSteel (i.e keep using an auditor that has been disqualified, etc.).
- Lack of CB performance, undermining the credibility of ResponsibleSteel.
- Failure to provide information requested by ResponsibleSteel, failure to collaborate with ResponsibleSteel on resolving issues.
- Conditions to maintain approval are not met.
- Breach of the Agreement between the CB and ResponsibleSteel.

- Suspension of ISO17021 certificate. In this case, the validity of the ResponsibleSteel suspension is aligned with the ISO17021 suspension.

The Standard, Assurance and Claims Committee will take decisions on sanctions based on documented and reasoned recommendations by the Secretariat. Responsible Steel will publish suspensions of CBs on its website.

After having been suspended, the CB shall submit an action plan with clear root cause analysis, corrections and corrective actions in order to resolve the issues that led to the sanction and to avoid their recurrence. The deadline to submit this action plan to ResponsibleSteel is 30 calendar days after receiving communication about the suspension. ResponsibleSteel will evaluate the proposed action plan within 10 working days of receiving the action plan and might ask for revisions where the action plan is not thought to be fit for purpose. The suspension can only be lifted if the CB provides evidence of effective implementation of the action plan within 6 months of receiving communication about the suspension. Verification of effective resolution is provided by ResponsibleSteel through a desk or an office assessment. In case the CB fails to implement the action plan within 6 months, the CB's approval may be withdrawn. Decisions to lift a suspension or to have a CB's approval withdrawn are taken by the Standard, Assurance and Claims Committee based on documented and reasoned recommendations by the Secretariat.

The CB is responsible for informing certification clients in a timely manner in case its approval has been suspended.

Suspended certification bodies shall not sign contracts with new ResponsibleSteel certification clients.

Withdrawal:

The withdrawal of a CB's approval is the highest level of sanction. It means the CB is no longer a ResponsibleSteel-approved CB and is therefore not allowed to perform certification and surveillance audits or sign new contracts. Upon withdrawal of approval, the CB is responsible and liable for the issued certificates until they have been transferred to a ResponsibleSteel-approved CB. The CB whose approval has been withdrawn must support its clients, the succeeding CBs and ResponsibleSteel in the transfer efforts to ensure certificates do not lapse and any ongoing auditing processes can be continued.

Situations in which ResponsibleSteel can decide to withdraw a CB's approval include, but are not limited to:

- Deliberate misconduct of the CB or lack of performance that seriously damages ResponsibleSteel's credibility.
- The CB not effectively implementing the action plan to lift a suspension within 6 months.
- Repetitive suspension for the same reasons.
- Withdrawal of the ISO 17021 certificate.

The decision to withdraw a CB's approval is taken by the Standard, Assurance and Claims Committee based on documented and reasoned recommendations by the Secretariat. ResponsibleSteel will publish the withdrawal of the CB's approval on its website.

The CB is responsible for informing certification clients in a timely manner in case its approval has been withdrawn.

Certification bodies whose approval has been withdrawn shall not sign contracts with new ResponsibleSteel certification clients and shall not issue certificates or grant continued certification.

II. Auditor sanctions

There are four levels of possible sanctions for auditors:

- A warning
- Increased oversight
- A Suspension
- A Withdrawal

Warning:

A warning is a low-level sanction. Repeated warnings can lead to a higher level of sanction. Cases where a warning may be issued include, but are not limited to:

- Audit reports not appropriately completed, but the deficiency does not affect the certification recommendation.
- Material observations during a witness assessment that indicate misconduct, misinterpretation of Standard requirements or poor performance.
- Complaints by stakeholders about auditor behavior, actions, inactions or lack of performance.

Warnings are issued in writing, clearly stating the reasons for the warning. After receiving a warning, the CB submits an action plan with clear root cause analysis, corrections and corrective actions in order to resolve, as well as avoid reoccurrence of the issues that led to the non conformity for the specific auditor. The deadline to submit this action plan to ResponsibleSteel is 30 calendar days after receiving the sanction communication. ResponsibleSteel evaluates the proposed corrective action plan by 10 working days from receiving.

Increased Oversight:

Where the performance of an auditor continues to be lacking, ResponsibleSteel can increase the level of oversight applied to the auditor. This may take the form of a higher number of witness and review assessments. The costs for the additional assessments will have to be borne by the CB that has contracted the auditor. The assessments will be carried out as described in the above paragraphs.

Suspension:

Suspension is the second level of sanction, and includes 2 different types:

- Temporary suspension: for a maximum 6 months, the auditor is not allowed to conduct RS audits
- Partial suspension (limited to specific scopes of approval): for a maximum 6 months, the auditor is not allowed to conduct RS audits related to the suspended scope.

Cases where a suspension may be issued include, but are not limited to:

- Audit reports not appropriately completed, where the deficiency affects the certification decision.
- Repeated warnings issued by ResponsibleSteel related to the same issues.
- Failure to collaborate with ResponsibleSteel on resolving issues.
- Conditions to maintain approval are not met.

After receiving a suspension, the CB shall submit an action plan with clear root cause analysis and action in order to resolve, as well as avoid reoccurrence of the issues that led to the non conformity. The deadline to submit this action plan to ResponsibleSteel is 30 calendar days after receiving the sanction communication.

ResponsibleSteel evaluates the proposed action plan by 10 working days from receiving.

In case the action plan is not implemented by the CB within 6 months, ResponsibleSteel reserves the right to withdraw approval of the auditor.

ResponsibleSteel might request that the suspended auditor participates in additional ResponsibleSteel training or carries out other activities suitable to lift the suspension.

The CB has to provide evidences of the effective implementation of the action plan to ResponsibleSteel, in order that ResponsibleSteel evaluates to lift the suspension of the auditor.

Suspended auditors shall not engage in ResponsibleSteel audits apart from those audits that are already underway.

Withdrawal:

Withdrawal of the auditor's approval is the highest level of sanction. It means the auditor is no longer approved by ResponsibleSteel and can therefore not perform RS audits from the date of the withdrawal having been issued. Cases in which withdrawal of auditor approval may be issued include, but are not limited to

- Repeated suspensions.
- Repeated misconduct or ongoing lack of performance that undermines the credibility of ResponsibleSteel.
- Serious conflicts of interest have been identified and not managed.

The decision to withdraw an auditor's approval is taken by the Standard, Assurance and Claims Committee based on documented and reasoned recommendations by the Secretariat. In case of approval withdrawal, the auditor cannot re-apply for approval for a minimum of 1 year. If the auditor re-applies for approval, he/she will need to go through the full ResponsibleSteel qualification process for new auditors.

Depending on the reasons for the withdrawal, ResponsibleSteel reserves the right to not process an application for re-approval of an auditor whose approval has been withdrawn in the past.

Appeals

The ResponsibleSteel's Issues Resolution System will be adopted for appeals and complaints originating from the implementation of the Oversight Mechanism. The last version of the Issues Resolution System can be found in our webpage.

Oversight costs

The regular Oversight Mechanism costs are covered by certification fee that is charged from certified sites and by maintenance fees charged from Certification Bodies. Increased oversight will be charged directly from the affected Certification Bodies, following what is defined in the Annex 1 of this document.

Annex 1 Risk-based approach for defining assessment of CBs

Based on the risk level attributed to each CB, ResponsibleSteel carries out a specific assessment activity made out of a combination of CB office assessment, witness assessment and review assessment. This is based on a 3 year cycle and following the risk classification at the beginning of each year. In case the attributed risk to a CB changes during the 3 years cycle, the corresponding CB assessment activity cycle will follow the new overall risk classification.

The risk assessment is based on specific factors as presented in the table below.

Risk factor	Risk		
	Low	Medium	High
Sanctions issued to the CB during the previous 3 years	No sanctions issued	Only warnings	At least one CB suspension
Sanctions issued to auditors of the CB during the previous 3 years	No sanctions issued	Only warnings	At least one auditor suspension/withdraw
Number of formal complaints received by RS during the previous 3 years involving the CB and its auditors	No complaints received	Between 1 and 5	6 or more
Highlights from the review of the Assurance Panel (inconsistencies in the audit reports)	AP found some inconsistencies, but these were addressed by the CB in the review process	AP found inconsistencies which represents a risk that audit report and/or audit process is not complying with the minimum expected quality level	AP found inconsistencies and the audit report and/or audit process is clearly not complying with the minimum expected quality level
Suspicious of misconduct	No suspicious of misconduct	N/A	Suspicious of misconduct

Overall risk definition:

The highest risk defines the overall risk for the CB.

Oversight cycle based on risk:

Based on the risk attributed to the CB, a specific 3 years cycle is defined with assessment activities to be completed in during this cycle. Regular assessments activities are covered by ResponsibleSteel's certification fee that is charged from certified sites, while the increased oversight activities will be charged from the CB as part of the sanctions defined in this procedure.

Low risk

Regular assessment activities	Increased oversight
1 CB office assessment	Not applicable
At least 1 witness assessment	

Medium risk

The number of witness assessment to carry out in this case corresponds to the square root (rounded up) of the total number of the certified clients for that CB in the previous calendar.

Regular assessment activities	Increased oversight
1 CB office assessment	More frequent witness assessments to comply with the square root rule
2 witness assessments	

High risk

The number of witness assessment to carry out correspond to the square root (rounded up) of the total number of the certified clients for that CB in the previous calendar.

Regular assessment activities	Increased oversight
1 CB office assessment	1 additional CB office assessment
2 witness assessments	More frequent witness assessments to comply with the square root rule
	At least 1 review assessment