

## Facility Tips for Successful Remote Audits

In March, SERI released *Advisory 19--Alternate Auditing and Certification Procedures* in an effort to ease disruptions in the audit process resulting from the COVID-19 pandemic. Since that time, we've been evaluating the benefits and risks of *expanding* the use of remote audits to include recertifications. Because of the travels bans, quarantines and health precautions of the past months, many audits have been postponed, which has put the R2 certification of a number of facilities at risk. To address this issue, SERI has released a second advisory in response to the Pandemic: *Advisory 21- Recertification / Reassessment Remote Auditing during COVID-19 Pandemic*.

A variety of auditors, certification bodies and R2 facilities participated in the testing of our remote audit pilot program. After careful review, we think remote audits can be effective option, but they will require a very different approach and methodology. Advisory 21 outlines the process to be followed if a Certification Body chooses to conduct a recertification audit remotely. [Download Advisory 21](#) to view the specific details.

### Important notes about remote audits...

1. The decision to conduct an audit remotely is completely at the discretion of the certification body. Among the considerations is the facility's track record – a facility with a history of conformance makes a better candidate for a remote audit. SERI has no role in deciding whether an audit should be done remotely or in person.
2. For the remote audit to work, facilities must have the necessary technology – and be adept at using it, including:
  - Electronic file sharing capability, such as DropBox, OneDrive, SharePoint, iCloud, or by providing access to facility software.
  - A strong Wi-Fi and/or cellular signal that reaches all areas of the facility and grounds. Video conferencing must be portable and accessible on a smartphone or tablet so that the auditor can be guided on a “virtual tour” of the building and grounds. Facilities run the risk of having the remote audit cancelled if video is not available in all indoor and outdoor areas. (For hard to reach areas, boosters, Wi-Fi pods or hotspots may prove beneficial.)
3. A remote audit is not an all-day video conference! Auditors will spend much of their time reviewing digital records and evidence prior to the remote audit. Facilities must upload all necessary records covering the last 3 years at least 24 hours in advance of the audit. If the required documents are not available by this deadline, the auditor will be forced to cancel the audit.
4. The remote audit procedure outlined in Advisory 21 identifies *6 specific phases* in the audit process. Phases are progressive and must be completed in order before moving on to the next phase. A delay at any phase will disrupt the entire schedule. It is imperative for the facility to be prepared so the audit can be completed as scheduled and a lapse in certification can be avoided.
5. Because many audits were postponed until fourth quarter of this year, CB schedules are very tight with few openings remaining in 2020. If you miss your scheduled 2020 audit, you will likely

not be able to reschedule until 2021. The result of delaying could mean expiration of your R2 Certificate, and a new 2-Stage audit to recertify. Get ready now to avoid delays!

## General Advice to Facilities...

- The remote audit process will be very different than the traditional in-person audit, but if done correctly, there can be great benefits. Because records must be uploaded in advance of the audit, facilities can gather and organize documents on their own schedule. And because the auditor will review these documents prior to the audit, it minimizes time spent in a conference room watching an auditor read reports. The net result is a more efficient process with less disruption to the facility's daily operations.
- Make sure records are complete! Gaps or missing records will cause delays, create more questions, and can cause a lack of confidence in your facility's conformance. If the auditor cannot verify conformity remotely, an onsite audit will be necessary before a new R2 Certificate can be issued.
- Records not procedures! The focus of the remote audit is on *records that prove or demonstrate that you are meeting R2 requirements*. Policies, processes, and procedures are not records – they are part of your management system, which will be reviewed in more depth during the EH&S audits. Although the R2 audit focuses primarily on records and evidence, there are some policy and procedural documents your auditor will need to review such as your reuse policy in Provision 2, your Legal Compliance Plan in Provision 3, and your FM Management Plan in Provision 5.
- Facilities should begin organizing and uploading records well in advance of the 24-hour deadline. Files should be organized and labeled so that the auditor can easily find the evidence and records they need.
- Don't wait until the last minute to do your *internal* audits. Leave enough time to make sure any non-conformities are resolved BEFORE the remote *recertification* audit occurs. Otherwise, they will be identified and written as nonconformities by your R2 auditor during the remote recertification audit.

## Organizing Records...

- The certification covers a 3-Year time period, so the auditor will require records from the past 3 years.
- It is recommended to put the records in the appropriate folder according to Advisory 21-Table 1, so the auditor can find them quickly. Use sub-folders under each provision to organize multiple documents.

### **For example:**

- If you have throughput records under Provision 7 including BOL's, packing lists, booking confirmations, invoices, payments, etc. organize these by a subfolder for each transaction.
- Or for Provision 6 – organize sub-folders by the types of transactions. R2 Ready for Reuse, R2 Ready for Resale, R2 Ready for Repair, Specialty and Collectible equipment.

- **Ensure the auditor can easily identify transactions to be able to pick samples.** Phase 3 lists the types of transactions the auditor must consider for selecting samples. If you organize your records in folders that align to this, or you include columns on your summary report that clearly identify the types of transactions consistent with this, you can make the process easier. The easier you make it for the auditor, the more likely you will be successful.
- **Be prepared to provide additional records quickly.** Where you provide the auditor a summary list of transactions, and not all the transaction records to start, the auditor will pick from the summary list to identify samples to audit. You will then need to provide those records quickly to avoid delays.
- **Transaction Summaries** - If you do not maintain a summary of all transactions, you may want to invest your time now to create a summary list. This will reduce the records that have to be scanned and shared, and will prepare you for R2v3. You will likely have multiple summary lists for different equipment/material flows (inbound, outbound, recycling, refurb, retail sales, eBay, Amazon, TradeLoop, UPS, FedEx, etc.). If you are using software such as CycleLution, Makor, RazorERP, use the reporting features to generate the summary list for the auditor. The point of a summary list is to see all transactions, making it easier for the auditor to pick samples and ensure the audit is covering all the types of activities and material flows.

**Remember:** *The onus is on the R2 Facility to clearly demonstrate conformance with all of the R2 requirements. Prior to your remote recertification audit, review your online supporting documents and records to ensure they are complete and effectively demonstrate how each of the R2 requirements are being fulfilled.*

**Example of what the folder structure might look like.** Keep in mind this may vary slightly from facility to facility based on the type of operation and the activities taking place. In this example, there is a folder for each provision, with additional subfolders for the various types of records and documents collected.

- **Example Folder Structure (A folder for each Provision, with subfolders containing various types of records and documents)**
  - Provision 1
    - EHSMS Documentation
    - R2 Documentation
    - EHSMS Certificates
  - Provision 2
    - Hierarchy of Responsible Management Strategies policy and any related procedures
  - Provision 3
    - Legal Compliance Plan and any related procedures
    - Legal Compliance Audits and any evidence of corrective actions
    - Evidence of Legality of Exports:
      - Country 1
      - Country 2
      - Country 3
  - Provision 4

- Hazards Identification and Assessment
  - Evidence of EHS control measures
  - Monitoring and sampling protocols, results, and assessment of effectiveness
  - Emergency procedures, evidence of testing and assessment of results
- Provision 5
  - Focus Materials Management Plan and evidence of any reviews and updates to the plan
  - Downstream recycling chain
  - Evidence of downstream vendor qualifications:
    - DSV1
    - DSV2
    - DSV3
- Provision 6
  - Test and Repair Work Instructions
  - Test Results
    - R2 Ready for Reuse
    - R2 Ready for Resale
  - R2 Ready for Repair downstream vendor qualifications:
    - DSV10
    - DSV11
    - DSV12
  - Evidence of Specialty and Collectible Electronic Equipment sales and tracking
  - Summary list of sales records for last 12 months (where a summary report is not available sales records must be scanned and uploaded).  
NOTE: 3 years of sales records must be available during the audit to be able to provide to the auditor.
- Provision 7
  - Incoming Transaction Records
  - Outgoing Transaction Records
    - Bulk Shipments
    - UPS Shipments
    - FedEx Shipments
  - Controlled Transaction Records
- Provision 8
  - Data destruction procedures
  - Data destruction training and competency requirements
  - Data Destruction Records
    - Logical
    - Physical
  - Quality Control procedures and results
  - Process Validation Records
  - Outsourced Data Destruction Records:
    - DSV20
    - DSV21
    - DSV22
- Provision 9
  - Storage requirements and related procedures

- Provision 10
  - Evidence of a security program and controls
- Provision 11
  - Insurance risk evaluation
  - Evidence of required insurance (worker health and safety, pollution liability and other required coverages)
  - Facility closure plan and closure cost calculations
  - Closure Financial Instrument
- Provision 12
  - Transportation and packaging procedures
  - Transporter evaluations:
    - Transporter1
    - Transporter2
    - Transporter3
- Provision 13
  - Document and Record control procedures

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