



SERI COP Advisory 21

Advisory No. 21: Recertification /Reassessment Remote Auditing during COVID-19 Pandemic

Reference Document: R2:2013 Code of Practices

Date of Release: September 11, 2020

Effective Date: September 11, 2020

Version - 1.0

Purpose of Advisory

This advisory outlines the process to be followed by a Certification Body (CB) where an R2 Facility requires a remote recertification audit in lieu of an on-site audit due to restrictions imposed because of the COVID pandemic. This advisory is being implemented recognizing the challenges faced with health and safety, and travel restrictions. While this creates a new option for recertification audits during the pandemic, a traditional onsite audit is still valid.

One of the challenges with an on-site audit is that there is a time constraint to finish the audit in the allocated time. This creates time pressures that can impede the auditor's ability to adequately evaluate all the requirements. However, remote audits provide some new benefits to the process if the process does not try to emulate an on-site audit directly. A remote audit should not be an all-day video conference call with the client. More time will likely be spent by the auditor reviewing R2 records offline than is spent face-to-face with the client on a video call. The remote audit can be completed with the same effort but broken up over a longer duration.

Remote audits do add some risk to the certification process. It is a good practice to be on-site and be able to see everything. When auditing remotely, an auditor may not see the full context of what they are reviewing. This can lead to misunderstandings. On the other side, an R2 Facility may direct the auditor away from areas that they do not want the auditor to see. For remote audits to be successful, there must be transparency.

Considering both the opportunities and the risks, the Phases in this Advisory take a new approach to incorporate activities with added benefits to both the R2 Facility and the CB. This approach multiplies outlined in the following 5 phases:



- Phase 1 – Pre-Qualification
- Phase 2 - Information Gathering
- Phase 3 – Opening Meeting, Records Sampling, Review
- Phase 4 – Interviews, Follow-up, Closing Meeting
- Phase 5 – Quality Review
- Phase 6 - Post Audit Corrections

Each phase is to be successfully completed before starting the next phase.

Phase 1 – Pre-Qualification

Phase 1 ensures that the R2 Facility meets the following set of pre-requisites as confirmed by the CB.

The R2 Facility must at a minimum:

- Maintain an R2 Certification and License Agreement in good standing.
- Not have undergone any significant changes in their organization: scope changes, address changes (Advisory 18, Facility Moves applies), etc. that would require the CB to go on-site for verification of change.
- Maintain an electronic file sharing application (DropBox, Box, Google Drive, etc.) and/or applications containing evidence (CycleLution, Makor, RazorERP, etc.).
- Provide the auditor read access to all relevant documentation and records BEFORE and during the audit without limitations for the auditor to explore and follow audit trails on their own.
- Collect and ensure all audit documents and records are readily available for electronic sharing and review as required in Phase 2.
- Maintain a portable video sharing application (FaceTime, Google Duo, MS Teams, etc.) capable of conducting live, on the job, worker interviews, and a visual tour and assessment of all areas within the site.
- Establish a reliable and secure connection for all document, record, and video sharing.
- Test all areas of the site for adequate connectivity (cellular or Wi-Fi) and ensure there are no dead spots where video or other information sharing is limited or not possible, including outdoor storage, parking lot and perimeter.
- Ensure all necessary employees are available for participation in the remote audit.

CB's responsibilities

The CB carries out the following prior to scheduling a remote recertification audit:

- A review of last 3 years' audit packages to assess performance of the R2 Facility.
- CB must justify why a R2 Facility qualifies for a remote audit if they have had major nonconformances on the last audit or have formal complaints filed against them, that otherwise would require on-site verification.
- Confirm that the company is not undergoing any significant changes in their organization: scope changes, address changes, etc. that would require the CB to go on-site for verification of change.



- Test and confirm suitable functionality of both the file and video sharing applications.
- Verify the accuracy of Names, Addresses/Locations, Employee Count, DSV Count
- Verify the accuracy of Scope
- Ensure that the R2 Facility will provide online access and/or will upload the electronic documentation 24-hrs prior to the opening meeting of the scheduled remote audit.
- Verify the audit time allocated for the remote recertification audit is adequate. It is imperative to be able to add time as needed, to ensure an effective audit.

Breaks, pauses or other adjustments in audit time or format may be necessary to fully complete the recertification as a remote audit, especially when there are technical issues or the R2 Facility is not fully prepared. The CB may choose to add time to the audit to accommodate adjustments. Timely R2 Facility responses for information are required throughout the audit process.

Milestone: Pre-qualification authorization completed. A record of review that the R2 Facility qualifies for a remote recertification audit is to be maintained by the CB.

Phase 2 – Information Gathering

The R2 Facility gathers and uploads the necessary documents in Table 1 to the agreed upon File Sharing Server. If some records are in paper copy format, the R2 Facility scans and upload these documents to the File Sharing Server. Sharing documents and records via video conferencing is not permitted, unless otherwise noted in Table 1 as “*must be available*” during the audit. Table 1 lists the expected documentation and records that will be uploaded at least 24-hrs prior to the opening meeting and those that need to be made available during the audit process. The CB auditor ensures all required documents are uploaded at least 24 hours before Phase 3. The CB cancels and reschedules the recertification audit if documents are not complete.

The CB provides a minimum of .25 days to the auditor to check the completeness of the uploaded documentation prior to Phase 3. This audit time is in addition to the calculated recertification time. The auditor may request documents and records not listed in Table 1. Table 1 is meant to be a representative list, not a comprehensive list of documents that will be reviewed during the audit process.

Table 1: Electronic Documents

| Provision | Documents to Review |
|-----------|--|
| 1 | <ul style="list-style-type: none"> • EHSMS Manuals/Procedures/Work Instructions • R2 List of Activities |
| 2 | <ul style="list-style-type: none"> • Hierarchy of Responsible Management Strategies Policy |
| 3 | <ul style="list-style-type: none"> • Legal Compliance Plan with list of applicable legal requirements • 3-year history of Legal Compliance Audits (not facility inspection reports) • Evidence supporting the legality of transboundary shipments made by the R2 Facility and its downstreams through the entire recycling chain. This includes |



| Provision | Documents to Review |
|-----------|---|
| | <p>shipments of non-working or untested equipment and components (R2 Ready for Repair).</p> <ul style="list-style-type: none"> Note: Three years of incoming and outgoing transboundary shipping records (BOLs, manifests, booking confirmations, receipt verification) must be available during the audit. Hazardous Waste Manifests and Declarations for transboundary movements must be available during the audit. |
| 4 | <ul style="list-style-type: none"> Hazards Identification and Assessment Customer contracts with processing requirements, must be available during the audit. |
| 5 | <ul style="list-style-type: none"> FM Management Plan DSV Flow (list of vendors through the entire recycling chain – this includes DSVs for R2/Ready for Repair equipment and components containing FMs). Qualification Records for DSVs |
| 6 | <ul style="list-style-type: none"> Summary list of sales records for last 12 months (where a summary report is not available sales records must be scanned and uploaded). Note: Three years of sales records must be available during the audit. Testing and Repair Work Instructions Test results must be available during the audit as selected by the auditor. |
| 7 | <ul style="list-style-type: none"> Summary list of all incoming and outgoing transactions (shipments, invoices, sales, etc.) for the last 12 months. Where a list is not available, transaction records must be scanned and uploaded. Note: Three years of incoming and outgoing records must be available during the audit. Access to the R2 Facility’s inventory system of records online may be acceptable if the auditor is comfortable navigating the software. |
| 8 | <ul style="list-style-type: none"> Data Destruction Procedures – All Forms of Destruction (Physical and Logical) Three years of data destruction records must be available during the audit to be able to provide to the auditor. Three years of data destruction quality control monitoring records must be available during the audit. Records of Data Destruction Process Validation for the last 12 months. (not to be interchanged with data destruction records or quality control records). Three years of data destruction process validation records must be available during the audit. DSV Qualification Records for Data Destruction |
| 9 | <ul style="list-style-type: none"> Where outside storage is utilized, records of legal compliance must be available. For example, where scrap metal is collected in an open bin outside, stormwater permits, or no exposure certifications must be available. |



| Provision | Documents to Review |
|-----------|--|
| 10 | <ul style="list-style-type: none">Customer contracts with security requirements, must be available during the audit. |
| 11 | <ul style="list-style-type: none">Closure PlanConfirmation from the independent administrator of their acceptance of responsibility for closure must be available during the audit.Financial InstrumentInsurance Policy DeclarationActual policies must be available during the audit. |
| 12 | <ul style="list-style-type: none">Transporter Qualification Records |
| 13 | <ul style="list-style-type: none">Three years, must be available, with methods to ensure auditor has electronic copies of any record needed to demonstrate conformance. |

Phase 2 is not part of the calculated audit time because this is completed by the R2 Facility; exception being the added time for review of documentation by the auditor. Milestone: Documentation and records are gathered electronically, accessible by the auditor, and checked for completeness by the auditor.

Phase 3 – Opening Meeting, Facility Tour, Documentation and Record Review

Phase 3 is intended to provide the auditor time to review the records and documentation that have been uploaded, identify and follow audit trails through the records, document conformance demonstrated through evidence, and plan for the areas that require follow-up and interviews with the R2 Facility. Phase 3 begins when the Phase 2 milestone is achieved and will officially start with the Opening Meeting. After the opening meeting the auditor conducts a comprehensive virtual facility tour of the facility. The tour is meant to be a thorough review of the activities and processes of the R2 Facility. The auditor should be clear about the operations and scope upon finishing of the tour. After the tour, the auditor should notify the R2 Facility of any additional records or documents that may need to be reviewed.

Emphasis in Phase 3 is on gathering record-based evidence and documenting such evidence of conformance in the R2 audit report. Auditors will begin sampling from summary reports of transactions or the actual transactional records (shipments, sales, invoices, etc.) to identify audit trails for verification.

Sampling must consider:

1. Incoming and outgoing transactions
2. Controlled activities where the equipment does not physically pass through the facility (See Formal Interpretation #1.0)
3. Each type of material, equipment, and component (special focus on any specific equipment, components, or materials called out on the R2 certificate; (Refer to Advisory 14: Scopes for R2)



4. Downstream vendors as identified from the sampled shipments
5. Focus Material shipments
6. Equipment and components containing Focus Materials shipments
7. Specialty and Collectible shipments
8. R2 Ready for Reuse shipments
9. R2 Ready for Resale shipments
10. R2 Ready for Repair shipments
11. Non-Focus material shipments

Samples for each audit trail are documented on the SERI provided "Transaction Sheet" audit trails template. Sampling considers each of the above, and documents if it is not applicable or not found in the records. All shipment and transaction samples and reviewed records are verified to be consistent with the both the Scope statement on the R2 Certificate, the documented activities in Provision 1(c) and any other written risk analysis, policies, and process documentation.

Majority of the auditor's time is expected to be used in Phase 3. The time needed in Phase 4 will be determined by the quality and complexity of the documentation and records uploaded by the R2 Facility in Phase 2.

Milestone: Audit trails are identified on the Transaction Sheet template and audit report. Audit report is at least 50% complete with evidence gathered. Updated audit plan and schedule interviews based on audit trails.

Phase 4 – Interviews, Follow-up, and Closing Meeting

Using the audit trails identified in Phase 3, the auditor will further inspect the information reviewed in Phase 3, verify the records sampled, and confirm the information with interviews and virtual tours. The length of Phase 4 is dependent upon the audit trails requiring follow-up from Phase 3. The outcomes of Phase 3 and 4 are provided during the Closing Meeting.

Milestones: Outcomes of Phase 3 and 4 are communicated to the R2 Facility at the Closing Meeting.

Phase 5 – Quality Review

The audit report and nonconformances will be reviewed by the CB Audit Package Reviewer (APR) as part of internal quality review process, according to Advisory 16. Where further evidence or clarification is required, the CB will work with the auditor and R2 Facility to acquire the evidence or further verify conformity. When the APR is satisfied with the audit documentation and evidence, the R2 Facility will receive a final report and nonconformances.

Milestones: Completed audit report and nonconformances.

Phase 6 – Post Audit Corrections

The R2 Facility follows the process for corrective actions to resolve each nonconformity (if any). Major nonconformities identified at the recertification audit must be verified with evidence for effective



correction and corrective action. For minor nonconformities corrections will be verified and corrective action plans will be approved by the CB.

Milestones: Closed major nonconformities, verified correction for minors, and approved corrective action plan for minor nonconformities. Technical Review complete. New R2 Certificate is issued, and audit closed.

Additional Expectations at a Remote Recertification audit

- A virtual tour of the site and all processing operations is completed, as directed by the auditor, through a live video stream. This includes all campus locations and controlled activities not at the R2 facility.
- The auditor interviews any applicable personnel as appropriate throughout the audit process.
- R2 Facility makes available any employee the auditor chooses to speak to during the remote recertification audit.
- While the R2 Facility engages as needed to answer the auditor's questions during the audit, the auditor will spend significant time off-line to do a thorough review of the records and documentation.
- During any phase of the remote recertification process, the auditor or the CB may choose to verify additional records and therefore has the discretion to add additional time to the original contracted time, and/or determine an on-site audit is necessary.
- SERI may witness any remote recertification audit to monitor effectiveness.

Additional Expectations for Confidentiality

To make remote auditing successful, clients need to electronically share records and documentation to allow the auditor to remotely review. The auditor will need to take copies of some records to include in the audit documentation as evidence of conformity.