An assessment based on the LBMA Responsible Gold Guidance and the LBMA Responsible Gold Third Party Audit Guidance standard consists of the offer and contract phase, the assessment preparation, the onsite assessment and the reporting and follow-up phase.

The auditors are selected by the Head of the Certification Body of TÜV NORD CERT GmbH in accordance with their appointments for the particular standard and their qualification.

1. **Assessment procedure**

The full assessment consists of the assessment preparation, the onsite assessment and the reporting and follow-up phase. The audit is generally performed at the client’s site.

1.1 **Assessment preparation**

Following signing of the contract, the assessor prepares for the assessment based on the information received from the customer which includes at least all information as listed in the LBMA Pre-Audit Checklist. The assessor discusses and agrees the further procedure with the organization to be assessed.

The audit team prepares an assessment plan on basis of the information received by the refiner. The assessment plan is provided to the refiner in advance to the on-site assessment.

The organizations to be assessed have the duty to report fundamental changes in their organisational structure or their gold supply chain system to the certification body without undue delay.

1.2 **Onsite assessment**

The on-site assessment consists of the following parts:

- Opening meeting
- Review of objective evidence
- Evaluation of evidence
- Closing meeting

1.2.1 **Opening meeting**

During the opening meeting, the purpose of the assessment, the assessment scope and methodology as well as the required documentation are reviewed. Apart from the audit team, at least the refiner’s responsible person(s) for the responsible gold supply chain are present.

The opening meeting serves to:

- Determine responsible management at the refiner
- Determine the refiner's operations and processes
- Review the LBMA Pre-Audit Checklist information, assessment plan, subsequent operational changes, challenges and impacts of changes
- Review names, locations, types of gold-bearing material received and processed
- Confirm unit operations on site where gold-bearing materials are processed
- Confirm the confidentiality of the assessment process
- Build trust and address concerns or questions
1.2.2 Review of objective evidence

Visual inspection
The assessment team visually inspects (in presence of a refiner’s representative) all areas actively contributing to activities, processes or systems related to the value-adding process for gold-bearing material.

Documentation review
The assessment team inspects any documentation supporting the existence, communication and effective implementation of the refiner's gold supply chain management systems, policies, procedures and practices in relation to the LBMA Responsible Gold Guidance at the refiner. This review includes documentation on the refiner’s gold supply chain (internal) management systems, the refiner's gold supply chain due diligence measures and the documentation on the refiner’s transactions. The assessment team also checks, if the refiner has duly published its gold supply chain due diligence policy, in English on their website.

For assessing the refiner’s gold supplying counterparty files, the assessment team selects a sample of the files for review and confirms that documentation related to due diligence measures in the gold supply chain is systematically requested, collected and maintained on file. The assessment team may rely on the refiner's assessment of risks in the gold supply chain to determine the level of risk associated with each gold supplying counterparty, unless non-compliances related to the refiner's supply chain risk assessment are identified.

In order to assess the refiner’s transactions, the assessment team reviews documentation supporting the existence, communication and effective implementation of the refiner's internal material control mechanisms. The assessment team selects a sample of transactions using the complete list of transactions provided by the refiner for audit preparation. The assessment team may rely on the refiner’s assessment of risks in the gold supply chain to determine the level of risk associated with each gold transaction, unless non-compliances related to the refiner's supply chain risk assessment are identified.

Management and Employee Interviews
The assessment team conducts interviews with management at executive and functional levels, including all heads of departments involved in activities or tasks within the scope of the assessment. In addition, the assessment team may request employees to be interviewed from various processes, including, but not limited to employees:

- Involved in the due diligence process and supply chain risk assessment
- In the gold sourcing departments
- In inventory or material control functions
- Involved in the outsourcing/contracting of gold-bearing material
- In the material receipt area
- In the production/refining area
1.2.3 Evaluation of objective evidence

The audit team evaluates the objective evidence gathered during the documentation review and the visual inspection for compliance of the refiner’s systems, procedures, processes and practices with the requirements of the LBMA Responsible Gold Guidance.

The result of the evaluation may be:

- The refiner’s systems, procedures, processes and practices are in compliance with all requirements
- The refiner’s systems, procedures, processes and practices are not in compliance with one or more of the requirements

Non-compliances with requirements of the LBMA Responsible Gold Guidance are classified according to the level of risk each presents to the credibility and integrity of the LBMA system for the responsible sourcing of gold-bearing materials. There are four risk-levels associated with non-compliances:

- Low-risk non-compliance
- Medium risk non-compliance
- High risk non-compliance
- Zero Tolerance

The overall result of the on-site assessment is the highest risk level scored by the refiner in any one section of the assessment.

1.2.4 Closing meeting

During the closing meeting, the observations and conclusions of the assessment are recapped. Apart from the audit team, at least the refiner’s responsible person(s) for the responsible gold supply chain are present.

A short closing meeting shall be held at each site in case of multi-site assessments, before the assessment is closed with a more comprehensive recap of all observations and conclusions with all responsible personnel.

1.3 Reporting

At the end of the assessment, the assessment team prepares two reports as part of the deliverables which include a Countries of Origin Annex for mined gold. Those reports are:

- LBMA Refiner Assessment Report
- LBMA Summary Report

When there are medium-risk, high-risk or zero-tolerance non-compliances with one or more of the requirements as set out in the LBMA Responsible Gold Guidance, the refiner shall prepare a Corrective Action Plan according to the template provided by the LBMA. This Corrective Action Plan shall be submitted for review and approval to the assessment team within one month following the on-site assessment.

The auditing body will submit the LBMA Refiner Assessment Report, the LBMA Summary Report including the Countries of Origin Annex for mined gold as well as the reviewed and approved Corrective Action Plan to the refiner and the LBMA Executive team by email or hard copy.
2. Re-assessment, assessment review and follow-up assessment

Corrective actions are not included in the scope of the initial on-site assessment. The refiner’s implementation of corrective actions is verified through an independent third-party assessment. This assessment can be carried out by the same or a different assessment team.

Verification of the refiner’s implementation of corrective action varies according to the overall level of compliance of the refiner with the requirements of the LBMA Responsible Gold Guidance.

Low-risk refiners
The assessment team conducts an annual assessment review including a review of the implementation of all corrective actions. Failure to address low-risk non-compliances may result in the issue becoming a medium-risk non-compliance.

Medium-risk refiners
The assessment team conducts a full re-assessment within 12 months of the initial onsite assessment. Any non-compliances for which corrective actions have not been completed at the time of the re-assessment will be included again in the refiner’s Corrective Action Plan and are subject to the same conditions of follow-up on their remediation.

High-risk refiners
Any high-risk refiner must undergo a follow-up assessment within 90 days of the completion of the initial on-site assessment. Any non-compliances for which corrective actions have not been completed at the time of the follow-up assessment will be included again in the refiner’s Corrective Action Plan and are subject to the same conditions of follow-up on their remediation. In case of the refiner’s failure to adequately address high-risk non-compliances and/or failure to complete corrective actions for high-risk non-compliances by the second follow-up assessment, the auditing body communicates those to the LBMA Chief Executive within 24 hours.

Zero tolerance
The auditing body communicates any zero tolerance non-compliance to the LBMA Chief Executive within 24 hours.
2.1 Annual assessment review

An annual assessment review is carried out for any refiner found to be compliant or low-risk non-compliant.

The scope of the Annual assessment review includes:

- Any significant changes to the refiner’s gold supply chain systems, policies, procedures, processes and activities over the assessment period
- A review of a sample of documentation for transactions as defined in the LBMA Responsible Gold Guidance
- A review of a sample of gold supplying counterparty due diligence files for active gold supplying counterparties within the assessment period
- A review of the implementation of all corrective actions taken to address all low-risk non-compliances

2.2 Full re-assessment

The scope and process of a full re-assessment are the same as for the initial assessment. In addition, the assessment team reviews the implementation of all corrective actions taken to address all non-compliances from the last on-site assessment.

2.3 Follow-up assessment

The follow-up assessment covers the time period between the initial on-site assessment and the date of the follow-up assessment. The assessment team exclusively verifies the implementation of the refiner’s corrective actions taken to address all non-compliances.