

Memo of Decision

To IRMA Board

CC IRMA Secretariat

From Michelle Smith, IRMA Director of Assurance

Date February 22, 2024

Subject Limited option for score and achievement level adjustment at initial surveillance audit

The IRMA Board Assurance Subcommittee reviewed and approved a time-sensitive proposal related to the current IRMA assurance process that would offer a limited option to allow an update to scores and achievement level (where relevant) at the initial surveillance audit. Committee members included Jon Samuel, Jennifer Krill, Glen Mpufane, Alan Young, and Jim Worthington.

In this proposal, the IRMA Secretariat proposed that mines be given the option to release their initial report immediately, work on focused improvements, and then be able to update their scores and achievement level at their surveillance audit, provided that it is conducted within approximately 12 months of the publication date of the initial audit report. This decision was approved by unanimous vote of the assurance committee.

Decision Highlights:

- Sites can now choose to publish their report immediately following the onsite audit (according to IRMA document review timelines) and still be able to demonstrate improvement and update their scores and achievement levels during the surveillance audit.
- This provides an incentive for sites to publish their initial report, even where there are areas of improvement, and then be able to reflect those improvements a year after the initial audit, instead of waiting a full 3 years.
- This removes the current, unintended disincentive for mines to delay the publication of their initial audit report while they work to improve a score that lasts for 3 years.
- Whether a site uses the corrective action period or opts for this new option, the timeframe of improvement activity is approximately the same, except that instead of the site's performance being withheld from public sharing for 12 months, it is reported, and then the score correction can occur with greater transparency, within the same 12 month timeframe, during their surveillance audit.
- Sites are also able to share the outcome of their initial audit sooner, with recognition for this commitment to independent assurance and transparency.

These changes will be effective immediately, including for sites that have recently completed onsite audits. It is not intended to apply to sites that have already elected to delay their audits and use the "early corrective action period" as this would be contrary to the goal of a timely report release.

Additional background and implementation of this change

Currently mines have three options for publishing their initial assessment reports:

Option 1: A site completes the onsite audit, the auditors draft a detailed summary report, IRMA and the site provide comments, the report is finalized and published. This publication initiates their 3-

year audit cycle in which there will be a limited scope surveillance audit after 12-18 months and a re-assessment within 36 months. The site score and achievement level are reevaluated at the reassessment audit.

Option 2: A site completes the onsite audit and elects to use up to 12 months to improve their performance against gaps identified by the auditors. These gaps are often critical requirements that have not substantially or fully met the requirement, or they are chapters that fall below the site's objectives. During this time of corrective action, there is no transparency regarding the site's performance and the site cannot make any claims regarding completion of an audit or performance levels. After the site implements corrective actions, the auditors conduct a verification assessment and finalize the report, which is reviewed and published by IRMA. This publication initiates their 3-year audit cycle in which there will be a limited scope surveillance audit within 12-18 months and a re-assessment within 36 months. The site score and achievement level is not reevaluated until the reassessment audit, approximately 3 years later.

For either of Options 1 or 2, the site could elect to convert the surveillance audit to a fully scoped audit. In doing so, the site could be reassessed and be recognized with revised scores and achievement level, if applicable. This would "reset" the 3-year audit cycle to the date of the full scope surveillance audit report. This option was granted in June 2022 (see [IRMA's memo of decision](#)).

New Option 3: This option is the same as Option 1, with no early corrective action period. The site instead develops a detailed corrective action plan for all items intended to be re-assessed at a surveillance audit, schedules the surveillance audit to occur approximately 12 months from the initial audit report, and then auditors can reassess and adjust the site's scores and achievement level, as applicable, in the surveillance audit. The site remains on their original 3-year audit cycle, but has had the opportunity to update their scores in the interim. This is only intended for the initial 3-year audit cycle and does not apply to surveillance audits in subsequent audit cycles.

You might recall that in May 2022 this committee made a decision to modify the assurance process which originally allowed achievement levels to change at surveillance audits, with the revised process stating this was no longer allowed. This was because the scope of a surveillance audit is limited, and auditors would not be examining the entirety of a site's operations. While IRMA recognizes that this risk is still present, we also acknowledge that the early corrective action period is essentially mimicking this; a full year is already granted during which sites work on a limited number of actions, are reaudited against changes to those areas only, and then are awarded updated scores.

What has happened in practice with initial IRMA audits is that the on-site audit is completed, the site receives their draft audit report and opts to use their early corrective action period (generally all 12 months), the auditors perform a focused verification audit (typically out of scope), then the final report is published. This process does not currently require transparency during this corrective action phase. This has disincentivized early transparency because nothing is shared until after the site has undergone the verification audit and the report revised. These verification audits are limited in scope, sometimes focusing on only a small handful of requirements, and yet they are used to elevate a site's score from their draft report to the final published report. In addition, given the timing of this process, this can mean that the public first sees the final report 18 months or more after the on-site audit.

By allowing sites to adjust the scores at the surveillance audit rather than delay publication with the early corrective action period, we promote earlier transparency of the site's performance and provide for an achievement level adjustment that was essentially happening anyway, but without accountability or transparency. For the site's benefit, this also eliminates an unbudgeted audit (the verification audit) by essentially combining the limited verification audit with the planned surveillance audit.