



INTERNATIONAL CYANIDE MANAGEMENT INSTITUTE

AUDITOR CRITERIA FOR THE INTERNATIONAL CYANIDE MANAGEMENT CODE

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AUDITOR CRITERIA

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The International Cyanide Management Code (hereinafter “the Code”, “Code” or “the Cyanide Code”), this document, and other documents or information sources referenced at www.cyanidecode.org are believed to be reliable and were prepared in good faith from information reasonably available to the drafters. However, no guarantee is made as to the accuracy or completeness of any of these other documents or information sources. No guarantee is made in connection with the application of the Code, the additional documents available or the referenced materials to prevent hazards, accidents, incidents, or injury to employees and/or members of the public at any specific site where gold or silver is extracted from ore by the cyanidation process. Compliance with this Code is not intended to and does not replace, contravene or otherwise alter the requirements of any specific national, state or local governmental statutes, laws, regulations, ordinances, or other requirements regarding the matters included herein. Compliance with this Code is entirely voluntary and is neither intended nor does it create, establish, or recognize any legally enforceable obligations or rights on the part of its signatories, supporters or any other parties.



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INTRODUCTION

Compliance with the International Cyanide Management Code (“the Code”, “Code” or the Cyanide Code) is determined by an independent third-party audit. In order that compliance decisions be credible and supportable, it is vital that the auditor(s) conduct the audit in a professional manner, are familiar with the type of operation being audited (i.e., mining operation, cyanide production facility, cyanide transport operation), are experienced in audit procedures, and have no conflict of interest with the operation being audited. The criteria discussed below are designed to ensure that Code auditors meet these qualifications.

It is the responsibility of each operation contracting for audit services to ensure that the selected auditor(s) meet these criteria. Each auditor must provide the information required on the *Auditor Credentials Form* demonstrating that they meet the appropriate listed criteria. Auditor Credentials Forms are to be submitted with the Summary Audit Report for each certified operation to be posted on the Cyanide Code website for public viewing.

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A Cyanide Code Certification Audit must be led by an auditor meeting International Cyanide Management Institute (ICMI) criteria as a “**Lead Auditor.**” An auditor meeting ICMI criteria as a “**Technical Expert Auditor**” for the type of operation being audited must also participate in the audit. Any other members of an audit team must, at minimum, meet the “**Auditor**” criteria.

The ICMI does not mandate a minimum number of auditors. If an operation elects to have a single auditor conduct its Code Certification Audit, then that auditor must meet all applicable criteria.

1. Lead Auditor

A. Experience

A Lead Auditor must have organized and/or directed at least three environmental, health or safety audits in the seven years prior to conducting the Code Certification Audit.

Discussion:

The Lead Auditor must possess the necessary auditing skills and knowledge and the leadership ability to direct the members of the audit team and to ensure that decisions regarding the operation’s compliance with the Code are supported by the factual audit findings. Unlike the experience required of other members of the audit team, the Lead Auditor’s experience must be as the leader of formal environmental, health or safety audits rather than of less formal reviews, inspections or assessments. A formal audit is a systematic and documented verification process of objectively obtaining and evaluating evidence to determine whether specified environmental, health or safety activities, events, conditions, management systems, or information about these matters conform with specified internal or external guidelines, requirements or criteria. The audits must have used a detailed audit protocol or questionnaire to evaluate environmental, health and/or safety management systems and on-the-ground



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implementation of established procedures, and included a site visit, review of documents and records and interviews with site personnel. The audit must result in preparation of a written report of the audit findings. An individual who has been the sole auditor for such an audit is considered to be the Lead Auditor even though there was no audit team.

B. Lead Auditor Certification

A Lead Auditor must be certified as a professional environmental, health or safety auditor by a self-regulating professional organization. Certification as a professional auditor in another discipline is acceptable only if the certification is relevant to auditing the Code and the auditor can demonstrate knowledge of environmental, health or safety issues.

Discussion:

The Lead Auditor has the ultimate responsibility for ensuring that the audit is conducted in a thorough and professional manner, and for making the final decision whether the operation is in compliance with the Code. Therefore, the Lead Auditor also must have demonstrated knowledge and understanding of auditing principles as well as dedication to the ethical performance of his or her professional duties.

To ensure the Lead Auditor meets these standards, certification as a professional auditor by a self-regulating professional organization is required. Such certification subjects both the technical and ethical aspects of the Lead Auditor's conduct to continuing oversight and evaluation, and provides a mechanism for potential discipline, including loss of professional certification, for substandard or unethical conduct.

The certification must be as an environmental, health or safety auditor or environmental, health or safety management systems auditor at any grade or level other than an entry or provisional level. Auditors with other types of professional auditor certifications are acceptable only if their auditor training and qualifications are relevant to a Code audit and the auditor can demonstrate education or experience in environmental, health or safety issues. Certifications that are not specific to auditing are not acceptable. Certification as a Lead Auditor is not necessary since the Code requires that the Lead Auditor have specified experience in this capacity.

The necessary certification must be from a professional organization with the following attributes:

- a) A Code of Ethics that the certified professional auditors must follow;
- b) A process by which certification can be revoked if an auditor is found to have conducted an audit in an unethical or unprofessional manner;
- c) Requirements for education, experience or expertise for initial certification; and
- d) Requirements for continuing professional development or education.

Examples of acceptable professional organizations include but are not limited to the following:

- a) Board for Global EHS Credentialing
- b) Canadian Environmental Certification Approvals Board



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- c) Institute of Environmental Management and Assessment
- d) The Chartered Quality Institute/International Register of Certified Auditors
- e) National Registry of Environmental Professionals
- f) Exemplar Global
- g) South African Auditors and Training Certification Association

2. Technical Expert Auditors and Auditors

A. Technical Experience

A Technical Expert Auditor must have a minimum of seven years of experience with the type of operation being audited (i.e., mining, transportation, or production).

An Auditor must have a minimum of three years of experience with the type of operation being audited.

Discussion:

This requirement is intended to ensure that both Technical Expert Auditors and Auditors are familiar with the standard activities at the type of operation being audited. Technical Expert Auditors and Auditors for mining operations must have experience in areas such as reagent handling, production activities and tailings management at gold or silver mines using cyanidation techniques. Technical Expert Auditors and Auditors of cyanide production operations must have experience and familiarity with chemical production and handling facilities, although specific experience with cyanide production is not required. Technical Expert Auditors and Auditors of cyanide transportation operations must have experience and familiarity with transport of hazardous materials but need not have specific experience with transport of cyanide.

Technical Expert Auditor and Auditor experience and expertise can be in the operation of a cyanidation facility, chemical production facility or transport company, or in health, safety or environmental management related to that industry. The Technical Expert Auditor or Auditor may have gained experience as an employee of a company involved in the type of activity being audited, as a consultant to that industry, as a government official responsible for regulating that industry, or as an auditor providing audit services to that industry.

Technical Expert Auditors and Auditors may include work as a consultant, regulator or auditor for time spent in the direct employment of the mining, cyanide production or cyanide transport industries if they attest that at least 20 percent of their time was spent on the type of operation being audited.

B. Audit Experience

Technical Expert Auditors and **Auditors** must have participated in at least three environmental, safety and/or health audits, assessments, inspections or reviews in the seven years prior to the Code Certification Audit.



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Discussion:

Auditors must be capable of inspecting a site, reviewing documents, interviewing personnel and evaluating this evidence to reach conclusions regarding compliance with the Code. Auditors therefore must be experienced in conducting environmental, safety and/or health reviews. This experience may include environmental, safety or health assessments, inspections or reviews, as well as formal audits as long as it was based on compliance with specific internal or external guidelines or requirements, included a site inspection and evaluated the site's on-the-ground implementation of its environmental, safety and/or health management systems.

The required experience in conducting such reviews is not limited to the use of cyanide or to the type of industry to be audited. Experience with environmental, safety and/or health reviews of any industrial activity would qualify as long as the industrial activity has relevance to the type of activity to be audited. For example, an environmental compliance review of a base metal mine or of a chemical manufacturing facility would qualify as auditing experience for auditing a gold or silver mine for Cyanide Code compliance.

3. Conflict of Interest

The following prohibitions apply to all audit team members conducting a Cyanide Code Certification Audit.

A. Prohibition 1

No auditor can audit any aspect of the operation's cyanide management system that the auditor's company was primarily responsible for designing or developing.

Discussion:

Auditors cannot review and evaluate their own work or that of their co-workers. If the auditor or the auditor's company was responsible for the preparation of a particular aspect of an operation's cyanide management system (e.g., design of an operation's heap leach facility or preparation of a water balance model or Emergency Response Plan), another member of the audit team not affiliated with the company that prepared that part of the management system (i.e., an Independent Auditor) must conduct those parts of the audit evaluating that area. However, this requirement does not prohibit an auditor who has conducted prior Code Certification Audits, interim or other audits, reviews, assessments, or gap analyses for the operation, and who has assisted in developing action plans to address any identified deficiencies, from conducting the operation's Code Certification Audit.



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B. Prohibition 2

No auditor can conduct a Code Certification Audit of an operation more than twice consecutively. No audit company can conduct a Code Certification Audit of an operation more than three times consecutively. Pre-operational Code Certification Audits are counted as Code Certification Audits for the purpose of these limits.

Discussion:

Auditors are limited to conducting no more than two consecutive Code Certification Audits of an operation. Audit companies are limited to conducting no more than three consecutive Code Certification Audits of an operation. Pre-operational Code Certification Audits are considered Code Certification Audits for the purpose of this limitation. Reviews, assessments, and gap analyses are not subject to these limits. A re-audit or other activity to confirm that an operation has implemented a Corrective Action Plan after being found in Substantial or Non-Compliance is considered to be part of the original audit rather than a separate audit.

These limits apply to an operation regardless of its ownership. A change in ownership of an operation does not affect these limits. However, an auditor may conduct a Code Certification Audit at other operations of the same owner as long as the auditor does not conduct more than two consecutive audits at a given operation. Similarly, an audit company may conduct a Code Certification Audit at other operations of the same owner as long as the audit company does not conduct more than three consecutive audits at a given operation.

C. Prohibition 3

No auditor may be a current employee of a signatory company, and no auditor can have been an employee of the operation being audited or its parent company for one year prior to the Code Certification Audit.

Discussion:

This requirement is intended to prevent an employee of an operation or its parent corporation from auditing either that operation or any other operations of the parent corporation, or of another signatory operation.

D. Prohibition 4

No auditor or audit company can derive more than 30 percent of his or her income from the operation being audited or the operation's parent company and subsidiaries, as an average over the five year period prior to the year of the Code Certification Audit.

Discussion:

The 30 percent figure is calculated on the total income of the auditor or audit company and is not limited to that of the single division or regional entity employing the auditor. This prohibition does not include income derived from any type of health, safety or environmental assessments, reviews, inspections, audits, Code Certification Audits, Code pre-audits or gap analyses, nor does it include income from development of action plans to address deficiencies identified in such reviews. However, income derived from the preparation of designs, plans,



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procedures or other aspects of an operation's cyanide management system or program, or activities unrelated to cyanide management, is counted as part of the allowable 30 percent.

For individual auditors who were employed by the company being audited, its parent company, or another subsidiary of the parent company less than five years prior to the Code Certification Audit, the averaging time for income derived from these entities is reduced to the time since leaving the company.

