



Consultation Dates: 11 September – 26 October 2013
MSC Contact: Stefano Minischetti

FOR CONSULTATION

Executive Summary

The MSC released the first version of the Chain of Custody (CoC) audit checklist in January 2013. Historically, each of the MSC's 23 certification bodies had to develop their own unique audit checklist based on the MSC CoC requirements. This led to some inconsistencies in the audit process for companies and certifiers, particularly when CoC requirements were periodically updated. To address these issues, the MSC CoC audit checklist was made available as a non-mandatory document for certifiers to use for CoC audits. Since its launch, 10 certification bodies out of 23 have voluntarily adopted the MSC checklist. There are two versions of the CoC checklist: single site and group CoC. The checklist can also be used as reporting tool as per the MSC Certification Requirements (CR), eliminating the need for certifiers to write a separate audit report.

The MSC now proposes to make the MSC CoC checklist mandatory for all certifiers to use for CoC audits against the new CR version. This would mean that certifiers will need to audit new CoC clients using the MSC checklist beginning in March 2014, and will have over a year to transition existing clients onto the new audit checklist (although it can be earlier as desired). This consultation seeks stakeholder views on the proposal.

Purpose

This consultation paper has two objectives: to consult on the revised CoC audit checklist to be released in 2014, and to consult on the option of making the MSC-developed CoC checklist mandatory for all certifiers to use for audits against the next version of the CR.

Background

The MSC began developing a standardised CoC auditing checklist in 2011. In 2012, certifiers were consulted for the development of the checklist. The reasoning for this project was that a standardised, MSC-developed checklist would increase consistency in the way audits are carried out across certification bodies, would reduce duplications in the checklist development process, would allow all audit data to be presented in one format, and would increase the credibility of CoC certification.

In October 2012, the MSC's Technical Advisory Board signed off the single site checklist and allowed it to be released to certifiers as a non-mandatory document. Following the launch, the MSC trained certifiers on the use of the checklist. In May 2013, the MSC released the group version of the CoC checklist, also as a non-mandatory document.

Since releasing the checklist in January 2013, the MSC has received feedback from numerous certifiers. Feedback overall has been very positive, with certifiers welcoming the comprehensive nature and technical functions of the checklist. Many certification bodies appreciated that MSC would update and maintain the document when new requirements were issued, saving time for each certification body. Some certifiers had queries on logistics for use and opportunities for improvement, mainly related to IT issues. Certifiers reported that some cells in the spreadsheet were incorrectly spaced and there was limited space for entering text. This was mainly linked to the fact that the MSC audit checklist was released in a 'locked' format, which created problems with Macs, older versions of Excel, and other computer systems. To prevent similar issues in future, the MSC proposes to release the checklist in an unlocked version. This will enable certifiers to customise formatting and spacing issues. Certifiers will be still asked not to change the wording or content of the checklist, although additional templates or sections can be added.

Since January 2013, the MSC has also received multiple requests to translate the audit checklist to make it more effective in different regions. The single site CoC checklist has already been translated into the following languages: German, French, Spanish, Chinese and Japanese. The MSC plans to continue translating the checklist (single site and group) into these languages also in the future.

Certifiers have also suggested that the MSC can improve the audit checklist by providing more guidance and more space for recording specific audit notes on the organisation assessed. These suggestions have been included in the new version of the checklist for 2014, which is currently available for stakeholder feedback. Some certifiers reported that the scoping section of the checklist does not facilitate the audit process as intended. Amongst other proposed changes, the MSC is consulting on whether to keep this section of the checklist.

The checklist for 2014 will also allow certifiers to record multi-site audits on the template, using the single site checklist but with dedicated spaces to record the multi-site structure.

There are two checklist templates presented with this paper: single/multi-site and group. In general, the document has been revised and minor wording changes made. In addition, the following more major changes have been made:

1. Single site/multi-site checklist:

- Guidance tab introduced
- Site list for multi-site introduced
- Tab for Risk and system for controlling CoC introduced (currently required for CoC audit reports under Annex BA)
- New Input/output template for batches introduced (this can be used instead of, or in addition to, the existing input/output template)
- Annex D – “Risk Assessment for Subcontractors” introduced

2. Group checklist:

- Input/output template for batches introduced

Considerations

The draft of the CoC audit checklist presented in this consultation is based on the current CoC requirements. If changes to CoC requirements are approved by the MSC’s Technical Advisory Board in December 2013, the checklist will be updated to reflect these changes before its release in 2014.

The MSC is consulting on the recommendation to make the CoC audit checklist a mandatory document for all certifiers to use. If the checklist is mandatory, certifiers will have to use it as an auditing tool for all their CoC assessments and as a reporting tool for the audit findings. The primary aim is to standardize the way CoC audits are carried out and audit reports are produced. This will give more clarity to certificate holders and will ensure they are assessed more consistently, independent of the certification body. So far, certifiers consulted are supportive of making the checklist mandatory, provided all the known issues with formatting and IT issues are addressed.

Having a mandatory CoC checklist will reduce effort for certifiers because the MSC will be responsible for maintaining the checklist and incorporating all policy changes into the latest version. The MSC will also develop materials to train certifiers on the use of the checklist and will produce translated versions of the checklist in five primary languages. The MSC expects that a standardized checklist will allow better integration with the MSC database (eCert) and simplify data entry for certifiers. The MSC will include relevant guidance in the checklist with the aim of increasing clarity of what is expected.

Policy Recommendation

The next version of the MSC audit checklist will incorporate feedback from this consultation, will reflect upcoming changes to the CoC requirements, and will be available on the MSC website for download in 2014.

The MSC proposes that the CoC audit checklist shall become mandatory for all certifiers to use for audits against the new version of the CR (version 1.4).

This version of the CR will be released in January 2014 and will become effective in March 2014 for new clients and at the next audit one year after the effective date for existing clients. This means that certifiers will need to begin using the MSC audit checklist for all new clients from March 2014 and (at the latest) will need to use the MSC checklist for existing CoC clients at their next audit after March 2015.

Consultation Questions

Please answer any of the relevant questions below:

1. Do you support the recommendation to make the MSC CoC checklist mandatory for all CoC audits? Please explain why or why not and please specify if the group CoC audit checklist (as well as the single/ multi-site) should be mandatory
2. Is there anything further the MSC should consider before making the checklist mandatory?
3. Should the scoping section remain in the checklist?
4. Should the checklist contain both the 'Requirement' column and 'Question' column side-by-side as in the current version?
5. Should the single site and multi-site checklist be combined (as in the current draft) or should they be separate documents?
6. For the group checklist: should there be two separate question sections, one for *Reduced Risk Groups* and one for *non-Reduced Risk Groups*?
7. Are you interested in having the checklist available on a tablet/mobile version?
8. Should the checklist be available locked only or should users be able to modify the formatting?
9. Do you have further feedback on how to improve the checklist? (This can include structural changes or specific layout or wording changes, or areas where more guidance is needed). Please explain your recommended changes.

Who can comment?

This consultation is open to any interested stakeholders. Auditors and other certification body personnel are especially invited to comment on this subject.

Next steps

- MSC to consult on this paper – September to October 2013
- MSC to present proposed changes and consultation outcome to MSC Technical Advisory Board - December
- Technical Advisory Board to decide on proposed changes - December

Further Information

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Supporting Documentation

- [Single/multisite CoC checklist](#)
- [Group CoC checklist](#)

The following text will change in the Certification Requirements (new text in **bold**):

17.4.5.3 The CAB shall use the MSC CoC Checklist to evaluate the organization

17.5.4 The CAB shall complete the MSC CoC Checklist for all audit findings

BA1.1 CABs ~~may~~ **shall** use the Chain of Custody checklist developed by MSC found at <http://www.msc.org/documents/scheme-documents/forms-and-templates>

BA1.2 CABs ~~may~~ **shall** upload the completed MSC Chain of Custody checklist to the MSC database ~~instead of the Chain of Custody certification report format in Table BA1.~~

~~BA1.3 If CABs choose not to follow BA1.1 and BA1.2 they shall submit a CoC Certification Report according to the format specified in Table BA1~~

[Change: Delete all of Table BA1]

BA1.4 CABs shall use the MSC CoC checklist for groups for Group Chain of custody audits. The completed checklist shall be uploaded on the MSC database.