

Third-party audit follow-up

1.1 Corrective Action Plan

Quick Guide:

This section defines the responsibility of a Refiner to define appropriate corrective actions for any non-compliance with one or more requirements of the *LBMA Responsible Gold Guidance*.

It further describes the process to communicate corrective actions determined by the Refiner to the LBMA Physical Committee.

When there are medium-risk, high-risk or zero-tolerance non-compliances with one or more of the requirements as set out in Steps 1 to 5 of the *LBMA Responsible Gold Guidance*, the Refiner shall prepare a Corrective Action Plan. Non-compliances may be identified by the Refiner as part of its self-assessment or by the auditor.

For each non-compliance, the Corrective Action Plan must include:

- a) A description of the non-compliance or observation;
- b) Reference to the relevant section in the *LBMA Responsible Gold Guidance*;
- c) Assigned risk rating of the non-compliance;
- d) Corrective actions to be taken for each non-compliance identified;
- e) The timeframe for completion of corrective actions for each non-compliance identified; and
- f) The person responsible for the implementation of each corrective action.

It is the responsibility of the Refiner to complete the Corrective Action Plan. Guidance criteria for the risk ratings applied to each non-compliance (including medium-risk, high-risk or zero-tolerance) are set out in [Appendix 1](#).

Corrective actions identified shall be specific, measurable, achievable, timely, appropriate and effective in addressing the root cause of the non-compliance.

The timeframe for the implementation of corrective actions must be realistic and cannot exceed:

- a) Twelve (12) months for any medium-risk non-compliance;
- b) 90 days for any high-risk non-compliance;
- c) Any zero-tolerance non-compliance must be addressed immediately.

A copy of the Refiner's Corrective Action Plan for all non-compliances (medium-risk, high-risk or zero-tolerance) should be provided to the LBMA Physical Committee.

For third-party audits based on the ISO 19011:2011 Standard, the Corrective Action Plan shall be submitted for review and approval to the lead auditor within one (1) month following the on-site assessment. The auditing body will submit the Corrective Action Plan, together with the LBMA Summary Report, to the LBMA Physical Committee.

For assurance engagements based on the ISAE 3000 Standard, the Corrective Action Plan should be reviewed by the auditor as part of their assurance testing. The Refiner is responsible for submitting the Corrective Action Plan to the LBMA Physical Committee (recommended to be provided at the same time as a copy of the Refiner's Compliance Report and independent assurance report is submitted). A Corrective Action Plan only should be submitted to the Physical Committee if medium-risk, high-risk or zero-tolerance non-compliances are identified.