

Policy

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Certification Body Requirements

MYANMAR FOREST CERTIFICATION COMMITTEE



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1 Policy Background

1.1 Introduction

Myanmar Forest Certification Committee (MFCC) is the National Governing Body (NGB) of forest/timber certification schemes in Myanmar. Currently there are two schemes operating in Myanmar:

1. The Myanmar Timber Legality Assurance System (MTLAS);
2. The Myanmar Forest Certification Scheme (MFCS).

The objective of this policy is to specify the organisational and auditing and certifying related requirements and mechanisms for Certification Bodies (CB) assessing against either MTLAS or MFCS standards and normative documents.

1.2 Scope

This policy is applicable to MFCC employees for evaluation and monitoring purposes, and to existing and potential Certification Bodies.

1.3 Normative References

MFCC SOP 1 Implementation Arrangements

1.4 Definitions

<i>Chain of Custody (CoC)</i>	Chain of custody is the path taken by raw materials from the forest to the consumer, including all successive stages of processing, transformation, manufacturing and distribution.
<i>Consignment</i>	A quantity of goods. At the forest level this would be batch of logs. At the processing level, such as a sawmill, a consignment would be one or two containers of product.
<i>Entity</i>	In this policy entity refers to either a concession, a manufacturer (e.g. sawmill) or a third party trader.
<i>IAF</i>	International Accreditation Forum. The IAF is the world association of Conformity Assessment Accreditation Bodies related to conformity assessment in the fields of management systems, products, services, personnel and other similar programmes of conformity assessment.
<i>MFCC</i>	Myanmar Forest Certification Committee
<i>MFCS</i>	Myanmar Forest Certification Scheme. MFCS is contained in a range of documents including MFCC policies, Standard Operating Procedures, other supporting system documentation, and the MFCS Forest Certification Standard.
<i>MTLAS</i>	MTLAS is contained in a range of documents including MFCC policies, Standard Operating Procedures, other supporting system documentation, and the MTLAS Timber Legality Standard.

<i>MFCC Employee</i>	In this policy an MFCC employee can refer to full and part time employees, consultants and sub-contractors and volunteers.
<i>NCO</i>	Non-conformance and observations. A non-conformance is said to occur when a policy or practice is observed that goes contrary to the requirements of, in this case, MFCC (MTLAS and MFCS) documented policy and procedural requirements.
<i>Operator</i>	In this policy the operator is any entity operating in the supply chain. This could be the system, a manufacturer (such as a sawmill) or a trader.
<i>Supply Chain</i>	The supply chain encompasses all activities associated with the flow and transformation of goods from the raw materials stage through to the end user.

2 Policy Standards

2.1 Certification Body Requirements

2.1.1 Organisational Requirements

MFCC is committed to ensuring that auditing against MTLAS/MFCS is carried out to the highest international standards by independent and impartial third party Certification Bodies. MFCC will require all Certification Bodies that audit against MTLAS/ MFCS to achieve accreditation against ISO/IEC 17065: 2012: Conformity Assessment - Requirements for Bodies Certifying Product, Processes and Services (hereafter ISO/IEC 17065), and ISO 19011:2011, Guidelines for auditing management systems (hereafter ISO/IEC 19011). In addition, Certification Bodies auditing against MFCS, will be required to become accredited against ISO/IEC 17021-1, Conformity assessment — Requirements for bodies providing audit and certification of management systems (hereafter ISO/IEC 17021-1).

The Myanmar Government has a Department of Research and Innovation (DRI) that has accreditation capabilities, and international accreditation cooperation agreements. However, DRI is still seeking IAF recognition, and needs to develop a process for the accreditation of MTLAS and MFCS. Ultimately, DRI will be able to accredit Certification Bodies against the required ISO Standards, but until this time MFCC will operate a two phased approach:

1. An interim Phase I, whereby MFCC will 'acknowledge' Certification Bodies¹, before accreditation by an IAF recognised body;
2. Certification Bodies in Phase II will have achieved required ISO accreditation.

In Phase I, any Certification Body auditing against MTLAS or MFCS must demonstrate a commitment towards developing a system that is compatible with applicable ISO Standards within two years following full MFCC acknowledgement. Associated plans must include indicators, and be made freely available for MFCC monitoring and evaluation.

Commitment requirements are listed in Annex 1.

2.1.2 Auditing Team

The Certification Body will arrange its own auditing resources based upon:

- MFCC minimum requirements as outlined in this policy;
- Auditing demand.

With regards personnel, the minimum a Certification Body must have at their disposal is:

- One qualified Lead Auditor (see 2.1.2.1);
- One qualified Auditor (see 2.1.2.2)
- One technical reviewer (see 2.4.1).

In addition to the minimum requirements outlined in this policy, audit team members must complete MFCC's audit training material. Certification Bodies can also specify their own requirements in their recruitment process to ensure audit team members are competent, and able to report and communicate precisely and effectively.

¹ MFCC is NOT an accreditation body. In Phase I however, MFCC will be responsible for "acknowledging" certification Bodies and assessing Certification Body compliance to MTLAS and/or MFCS, and also monitoring Certification Bodies compliance to agreed commitments. Any implication that MFCC has accreditation capabilities and/or qualifications is neither intended nor valid.

2.1.2.1 *Lead Auditor*

A Certification Body must have at least one Lead Auditor. Lead Auditors at a minimum must:

- have a Bachelor's Degree in Forestry or related discipline with at least 3 years of experience in forest management and/or the timber industry;
- have completed at least 2 audits, 1 of which one is as Lead Auditor²;

2.1.2.2 *Auditor*

A Certification Body must have at least one auditor. Auditors at a minimum must:

- have a Bachelor's Degree in Forestry or related discipline with at least 1 years of experience in forest management and/or the timber industry;
- have completed at least 1 audit and/or completed MFCC participatory audit training.

2.1.2.2 *Trainee Auditor*

A Certification Body is not compelled to have further auditing employees, but if used s/he must at a minimum:

- have a Bachelor's Degree in Forestry or related discipline with at least 1 years of experience in forest management and/or the timber industry;
- (if not completed) be in the process, at the start of his/her tenure, of completing trainee auditing requirements;
- be willing to complete further skills training.

2.1.3 Training and Development

Certification Bodies will develop agreed individualised auditor training and development and monitoring and evaluation plans agreed with employees and supplemented with supporting documentation (such as induction plans and checklists, and training plans), and ultimately be targeted towards the overall goal of achieving ISO/IEC 19011.

The procedure/plan(s) must demonstrate how Certification Bodies determine when an auditor is competent to conduct MTLAS or MFCS certification audits. At a minimum Certification Bodies will develop plans that include:

- trainee schedules;
- formalised induction procedures;
- formalised monitoring and evaluation procedures;
- individual development plans.

2.1.4 Resource Requirements

The Certification Body is responsible for ensuring there are adequate auditing resources for the continuation and potential expansion of services, and to ensure the required expertise in the certification decision process.

Certification Bodies must formally incorporate audit resource planning (both financial and human) and contingency planning³ into strategic planning and management review processes.

Formal discussion and planning must take place at least once a year.

² Participation and assessment in an MFCC practical auditing training will be equivalent of 1 audit requirement;

³ To ensure as far as possible that auditing demand can be met in consideration of scenarios with any potential impediments to meet demand (such as unusually long term absence of auditing staff or dismissal of staff).

2.2 Auditing

2.2.1 Introduction

A Certification Body site visit may combine any number of objectives at the discretion of the Certification Body. A single visit for example may be used to carry out an annual surveillance audit and be combined with other audits and activities such as auditing progress against NCOs.

Where audit objectives and/or activities are combined or integrated, such combining/integration shall never adversely impact on the objectives of the audit criteria or the audit obligations.

Certification Bodies can raise NCOs as a result of any of the audit mechanisms.

NOTE: Whilst a consignment based audit is possible under the MTLAS system (but not under MFCS), such audits can only be conducted if related entities hold a valid MTLAS certificate.

2.2.2 Audit Frequency and Type

For all entities that are audited, the verification process consists of the following elements:

- Full assessment audits every three years;
- Review of progress against NCOs;
- Annual Surveillance Audits

Surveillance audits shall be conducted at least once a calendar year, except in recertification full assessment years. The date of the first surveillance audit following initial certification shall not be more than 12 months from the certification decision date. Frequency and timing of surveillance audits can be adjusted to accommodate factors such as seasons.

If and when consignment based audits are conducted, these can be carried out when requested or required.

Whilst the scopes will be the same, surveillance audits can be (and normally are) less rigorous than at full assessment audits.

The Certification Body will develop surveillance activities to ensure representative areas and functions covered by the applicable requirements of MTLAS or MFCS are monitored for effectiveness and continual improvement on a regular basis.

2.2.3 Audit Procedures

Certification Bodies will develop their own Standard Operating Procedures and related supporting documents to conduct audits.

At a minimum procedures will include:

- Auditing team selection;
- Auditing plans;
- Opening and closing meetings;
- Dealing with non-conformities;
- Writing audit reports.

Audit plans must reflect minimum determined audit times as described in Annex 2.

During the surveillance audit, any nonconformity from the last audit that has not been previously verified and closed will be reviewed for implementation.

2.2.4 Transitional Timeframes

A transitional period for compliance will be specified, where applicable, following new requirements contained in MFCC Standards and/or policies. The Certification Body will be responsible for communicating transitional timeframes and any related compliance information to the relevant partners within 5 working days.

As a general guideline:

- for significant changes such as transition to a new version of an MFCC Standard, a 12 month transition timeframe is required. In some cases however significant changes require immediate effect;
- for less significant changes a 2 or 3 month period is generally acceptable (with 3 months preferred) with implementation to be determined at the next scheduled assessment.

At times implementation may need to be established prior to the next scheduled assessment (either by a special onsite or offsite assessment).

2.3 Non-Conformances

2.3.1 NCO Coverage

Certification Bodies evaluate and rate non-conformances against the following approved source requirements:

- MTLAS Standard or MFCS Standard;
- MTLAS P 4 MFCC Trademark Usage or MFCS P 4 Issuance of PEFC logo Usage licenses by MFCC.

Before issuing an NCO, any non-conformance is classified as either major, minor or as an observation.

2.3.2 NCO Information and Notification

A Certification Body will be responsible for ensuring that entities to be audited are fully informed about:

- the purpose of NCOs;
- the different variety of NCOs;
- Certification Body expectations with regards the corrective action process;
- the procedures and related deadlines for issuing, evaluating and closing NCOs;
- related complaints and appeals processes.

If a non-conformance or observation is raised during a field audit, the client must be notified during the Audit Closing Meeting.

2.3.3 Certification Body Procedures and Documents

A Certification Body will prepare and follow its own procedures and related documents and ensure such guidelines and policies comply to this policy and other relevant MFCC requirements. At a minimum these procedures will cover:

- raising, evaluating and closing NCOs;
- notifying clients of observations and non-conformances;
- escalating non-conformances and observations;
- specifying who has the authority within the Certification Body for issuing and closing non-conformances;

- the process for approving proposed corrective actions and specifying who has the authority for such decisions;
- reporting and recording.

2.3.4 Obtaining and Evaluating Corrective Action

The client will provide the Certification Body with a proposed corrective action plan that includes deadlines, within a maximum of 25 working days following notification. Once approved the Certification Body must notify the client how the corrective action will be evaluated.

Evaluation of corrective progress will be carried out according to the following guidelines:

1. Minor/observations⁴ - a maximum of 1 year following submission of the corrective action plan or at the next audit (whichever is the earlier);
2. Major - must be verified within at least 3 months after the corrective plan.

2.3.5 Escalating Observations & Non-Conformances

In principle, any NCO should be escalated if:

1. the client has not submitted proposed corrective actions within 25-day deadline (see 2.3.4);
2. corrective actions have not been effectively implemented.

Minor non-conformances must be escalated to major non-conformances. A major non-conformance that has not been closed will result in certificate suspension⁵. Entities can however request an extension.

The Certification Body is responsible for specifying the chain of authority for escalating major to critical non-conformances.

2.4 Certification

2.4.1 Certification Authority

Decisions and authority with respect to certification (granting, recertifying, suspending, and withdrawing certificates) lies with the Certification Body. The final certification authority cannot be delegated to an outside body such as contractors or subcontractors in anyway whatsoever.

A Certification Body must officially nominate and identify one senior management employee as the final Certification Decision Maker. The decision on certification shall be made by a representative who did not participate in the audit. The decision shall be based on the written audit report.

The Certification Decision Maker will at a minimum:

- have at least five years' experience in forest management and Chain of Custody assessments;
- have demonstrated complete understanding of all key MTLAS or MFCS requirements.

Certification Bodies are free to seek external guidance and advice on certification decisions. However, any external consultant(s) involved in the certification decision process, along with their qualifications, scope and limitations of their input, must be identified and agreed by the Certification Body senior management.

⁴ Note that an observation may not specify a deadline. However it may be escalated if it has not been adequately addressed since the previous assessment. It's at the discretion of the auditor whether to upgrade such observations into a non-conformance.

⁵ Entities can, with a rationale, request an extension at the discretion of the Certification Body.

The consultant must also have been inducted and familiarised with the requirements of MTLAS or MFCS.

2.4.2 MFCC Certification

On behalf of MFCC the Certification Body issues either MTLAS or MFCS related certificates to entities in the supply chain. Certificates are issued to the operator following full assessment audits every three years:

Certificates are issued after the first audit and extended/withdrawn/suspended after successive audits. Certification can also be withdrawn/suspended following any of the various auditing requirements (such as annual surveillance audits).

Under MTLAS consignment certificates can also be issued. Consignments of product (from a sawmill for instance) will be certified against MTLAS criteria 5 - 6. A consignment at a forest level would be certified against MTLAS criteria 1 - 4. No operator can be certified until they have had a consignment verified.

The issuing of a Certificate signifies that an entity (or consignment) has been independently verified as being in compliance with the required MFCC system requirements and the criteria of MTLAS or MFCS

The certificate of verification of an entity displays the following information:

- Certification registration code incorporating unique client reference code;
- Name and address of the operator;
- Entity registration number;
- Scope under which the operator was verified;
- Species;
- Date of initial certification;
- Date of certificate validity;
- Signature of the certification decision maker.

2.4.3 Granting Certification and Recertification

Audits that result in zero non-conformances will normally receive a recommendation by the Certification Body for granting certification or recertification.

Where there are only minor non-conformances a client will normally receive a recommendation for certification (or recertification) by the Certification Body upon acceptable review of proposed corrective actions and closure schedule(s).

If the certification audit results in one or more major non-conformances, then the Certification Body will recommend that a re-audit be done prior to issuing initial certification.

In the case of a recertification audit resulting in one or more major non-conformances, the client has up to three months from the date of the final NCO report to implement the necessary corrective action and have the re-audit conducted.

In the case of re-audits the Certification Body will determine any changes in scope, and/or methodology and inform the auditee accordingly. If the re-audit does not occur within the 3 months or the non-conformance(s) is not sufficiently addressed, the client's certification is put on suspension.

2.4.4 Certification Suspension

Whilst a certificate is suspended no certification will be issued for product originating from these sources, and certification issuance can only restart once certification status becomes valid.

In case of certificate suspension, the period of suspension cannot exceed twelve months⁶. Failure to resolve the causes of the suspension within this 12-month period will result in certificate withdrawal.

Examples of when certificate suspension may be invoked include (but are not confined to):

- non-conformance with specified requirements of MTLAS or MFCS;
- a major non-conformance has not been closed or sufficiently addressed within the agreed time period;
- failure to finalise invoiced fees within 60 days of notification;
- where continuance of operational activity becomes illegal;
- where question of legal status becomes contentious and/or unresolved.

Suspension shall be confirmed by the Certification Body and will indicate the conditions under which the suspension will be removed, and the procedures and policy for appeal. Written acknowledgement (an email will suffice) from the suspended entity must be received.

The Certification Body will also amend accordingly all relevant public notifications of any certification.

In cases where an appeal is lodged the suspension will remain affective until the appeal/dispute is closed or the suspension is lifted.

When an enterprise's certificate is suspended, the entity will:

- not promote their MFCC certification for the period of the suspension;
- work actively with the Certification Body to remedy the cause of suspension.

At completion of (or before) the suspension period, the Certification Body shall:

- remove the suspension and notify the enterprise and inform MFCC accordingly;
- in exceptional circumstances, and in compliance with other MFCC policies, extend the timeframe for compliance; or
- withdraw certification if the specified conditions are not fulfilled.

2.4.5 Certification Withdrawal

The Certification Body will withdraw certification in the following cases:

- If an entity continually fails to demonstrate efforts to implement corrective action;
- If MTLAS or MFCS requirements are changed and the enterprise either will not or cannot ensure conformity with the new requirement(s);
- If financial obligations are continually not met.

If a certificate is withdrawn, the Certification Body shall inform all related clients of the withdrawal by registered letter or equivalent means. Where applicable these communications shall indicate the procedures and policy for appeal.

The Certification Body will inform MFCC in writing to amend accordingly all relevant public notifications.

⁶(NOTE: Extensions are possible in exceptional circumstances at the discretion of the Certification Body senior management ensuring any extension is compliant with other MFCC policies.

In cases where an appeal is lodged the withdrawal will remain affective until the appeal/dispute is closed.

If following a successful appeal, a certificate is reinstated, the Certification Body shall inform all related clients of the situation by registered letter or equivalent means, and inform MFCC in writing to amend accordingly all relevant public notifications.

2.4.6 Certification Complaints, Appeals and Disputes

In the case where an appeal, complaint or dispute is made regarding aspects of the Certification process, MFCC will never act as an arbitrator or get involved in any disputes whatsoever. Nor will MFCC respond to any complaints or appeals with regards certification decisions.

The Certification Body will have sole responsibility for handling such issues in accordance to their own policies and procedures.

2.4.7 Out of Date Forest Management Unit Certification

In cases where a certificate is out of date, the Certification Body can continue to certify product from consignments of timber that were delivered from a forest source during the certified period.

2.4.8 Public Notifications

MFCC maintains a number of publically available documents. In instances where certificates are withdrawn or suspended (or reinstated) the Certification Body must inform MFCC within three working days of the change in status.

3 Document History

Date of Issue:	Version	Approval date:	Requested by:	Nature of Change	Approved by:

4 Appendices

Annex 1: Provisional and Full Certification Body Acknowledgement

MFCC will require all Certification Bodies that audit against MTLAS/ MFCS to achieve accreditation against ISO/IEC 17065: 2012: Conformity Assessment - Requirements for Bodies Certifying Product, Processes and Services (hereafter ISO/IEC 17065), and ISO 19011:2011, Guidelines for auditing management systems (hereafter ISO/IEC 19011). In addition, Certification Bodies auditing against MFCS, will be required to become accredited against ISO/IEC 17021-1, Conformity assessment — Requirements for bodies providing audit and certification of management systems (hereafter ISO/IEC 17021-1).

Provisional Acknowledgement

At a minimum, prior to MFCC provisional acknowledgement, the Certification Body will:

1. be a legal, independent registered organisation;
2. demonstrate, beyond a reasonable doubt, to MFCC, that the applicant is not involved in any way in the process and decision making for MFCC Standard setting, and that the applicant will operate impartially.

Full MFCC Acknowledgement

Following MFCC provisional acknowledgement of Certification Bodies, and for final acknowledgement prior to commencing any audits, the Certification Body will meet the minimum requirements for the auditing team and auditors as described above.

In addition, Certification Bodies must ensure the following requirements are met:

1. Sign a Service Agreement with MFCC, that, amongst other requirements, agrees to give MFCC periodic access to monitor progress, outlines the consequences of NCOs and the terms and conditions for withdrawal of MFCC recognition;
2. Complete, satisfactorily, relevant MTLAS or MFCS training as required by MFCC;
3. Finalise audit preparation requirements. This includes a summary of auditors, Standard Operating Procedures for MTLAS/MFCS assessment(s), supporting audit procedural documentation (e.g. checklists, forms and various report templates), and auditor training and development plans;
4. Finalise a policy commitment to create and implement a system that is compatible with the ISO Standards required. This policy must contain an associated work plan that will be agreed with MFCC before full Certification Body acknowledgement;
5. Finalise guiding principle policy documents and their associated forms⁷ – at a minimum these will include Impartiality and Conflict of Interest, Anti-Corruption, Confidentiality;
6. Finalise a Complaints, Appeals and Disputes process;
7. Finalise Corrective and Preventative Action procedures and associated documentation for dealing with MFCC NCOs (i.e. MFCC [and later Accreditation Body] to Certification Body);
8. Finalise auditee NCO procedures and related documentation (i.e. Certification Body to client)

⁷ Impartiality and Conflict of Interest, Confidentiality, and Anti-Corruption policies must have an associated declaration (of understanding) form signed by relevant employees. Other forms would need signing if applicable – for instance if an employee recognises a conflict of interest s/he would need to complete a disclosure form.

Annex 2: Determining Audit Time

Table 1 illustrates the minimum on-site audit duration (in days). This includes the main audit events but does not include time needed for preparation, travel and report writing.

The minimum on-site duration has been developed to provide sufficient time under normal circumstances to adequately carry out auditing against MTLAS/MFCS requirements.

Additional days may be needed to conduct post-audit follow-up activities, such as verification of NCO closure or addressing any contentious issues.

Timings are calculated based on an audit team of 2 members.

Management Unit (ha)	Full Assessment	Surveillance	Recertification
Natural Forest			
< 50,000	4	3	4
50,000 < 150,000	6	4	6
150,000 < 300,000	8	5	8
> 150,000	10	8	10
Plantation Forest			
< 5,000	3	2	3
5,000 < 10,000	4	3	4
> 10,000	5	4	5

The minimum time for on-site Chain of Custody audit for wood processing mills and third party traders would be one half man day.

Note: Minimum on-site audit duration for conduct of assessments may be increased with justification, given the complexity or issues identified in the respective management unit.