

## PSU Derogation

<b>Code</b>	FSC-DER-2020-001	
<b>Requirement (s)</b>	As indicated below	
<b>Request by CB</b>	All FSC accredited certification bodies (CBs)	
<b>Rationale as provided by CB</b>	Due to the pandemic of novel coronavirus (COVID-19), vast areas of the world are subject to travel restrictions. INT-STD-20-011_04 foresees a case by case application for derogation by CBs in case of a demonstrated risk to the life or health of auditors, to replace an on-site audit with a desk audit. PSU is requested to give guidance on how CBs shall handle upcoming audits.	
<b>Terms and definitions</b>	<b>Hybrid audit:</b> Combination of a remote desk audit and an on-site inspection.	
<b>PSU conclusion</b>	<b>Scenarios for applying this derogation</b>	<p>This derogation applies to audits in situations where:</p> <ul style="list-style-type: none"> <li>– The CB assesses there is a health risk involved in implementing an on-site audit;</li> </ul> <p style="text-align: center;">or</p> <ul style="list-style-type: none"> <li>– auditors are prevented from conducting an on-site audit due to travel restrictions.</li> </ul>
	<b>Preconditions for conducting desk and hybrid audits</b>	<p>1. CBs shall have a documented policy, procedure, or both, outlining the process to be implemented in case an audit is affected by the novel coronavirus (COVID-19) pandemic. This shall include:</p> <ul style="list-style-type: none"> <li>- A method for assessing whether an on-site audit can be replaced with a desk or hybrid audit, and</li> <li>- A description of the desk and hybrid audit methods to be applied in the case of FM and CoC, and</li> <li>- A process to implement the reporting and record keeping requirements of this derogation.</li> </ul> <p>2. CBs and certificate holders shall:</p> <ul style="list-style-type: none"> <li>- have the technical and operational capacity to conduct audits remotely or as hybrid audits, and</li> <li>- agree on a secure and confidential data transmission, and</li> <li>- ensure the availability of key staff.</li> </ul> <p>3. CBs shall utilize information and communication technology (ICT) to evaluate all requirements from the annual audit plan to the extent possible.</p> <p>4. Desk audits and the remote component of a hybrid audit should be conducted on the basis of:</p> <ul style="list-style-type: none"> <li>- virtual video meetings / virtual company tour,</li> <li>- interviews with relevant people of the certificate holder and stakeholders,</li> <li>- relevant documents and records,</li> <li>- satellite images (where possible), and other best available information.</li> </ul> <p>5. When desk or hybrid audits are conducted, CBs shall demonstrate that the full scope of the audit can be covered,</p>

		and that it is possible to evaluate with adequate assurance the conformity of the applicant to the normative requirements.
	<b>Forest Management Pre-evaluations</b> FSC-STD-20-007 V3-0 Definition Pre-evaluation	Pre-evaluation audits may be conducted as desk audits, if it is concluded that a desk audit can credibly be conducted. Alternatively, or when the CB concludes that a pre-evaluation audit cannot be credibly conducted as desk audit, the audit may be conducted as hybrid audit as regulated in FSC-DER-2020-012.
	<b>Forest Management main audits (initial certification)</b> FSC-STD-20-007 V3-0 Clause 5.4.2	Regulated in FSC-DER-2020-012
	<b>Chain of Custody main audits (initial certification)</b>	Regulated in FSC-DER-2020-005
	<b>Surveillance audits</b> FSC-STD-20-001 V4-0 Clause 4.7.1  FSC-STD-20-007 V3-0 Clause 6.1.1; INT-STD-20-007_37  FSC-STD-20-011 V4-0 Clauses 2.6 e), 9.2; INT-STD-20-011_04; Clause 9.2 and 9.3	<p>CBs may apply either option below, either individually, or sequentially if needed.</p> <p>A. Surveillance audits may be postponed for a period not exceeding six (6) months beyond the maximum audit cycle. All other requirements including the requirement to have 4 surveillance audits within one certification cycle remain unaffected.</p> <p>B. Surveillance audits may be conducted as desk audits, when based on an assessment of the scale, intensity and risk of the Organization's activities it is concluded that a desk audit can credibly be conducted.</p> <p>Examples of the above that would prevent a desk audit include:</p> <ul style="list-style-type: none"> <li>• Certificate holders with open major CARs that require on-site verification,</li> <li>• Certificate holders with purchase/sales mismatches proven through supply chain investigations conducted by the CB, ASI or FSC,</li> <li>• Certificate holders who fail to report purchase/sales when requested through a supply chain investigation,</li> <li>• Certificate holders with unresolved complaints.</li> </ul> <p>C. Alternatively to Option B, or where a surveillance audit cannot be credibly conducted remotely it may:</p> <ul style="list-style-type: none"> <li>• For FM: be conducted as hybrid audit as regulated in FSC-DER-2020-012.</li> <li>• For CoC: be conducted based on the process as described in Option B of the re-evaluation section.</li> </ul> <p>Where audits cannot be conducted according to these options, the certificate shall be suspended.</p>
	<b>Re-evaluation audits</b> FSC-STD-20-001 V4-0 Clause 1.4.2 and 1.4.3	<p>CBs may apply either option below, either individually, or sequentially if needed.</p> <p>A. A certificate may be extended once for up to twelve (12) months beyond its original expiry date, by performing a surveillance audit (which may be conducted in line with this derogation).</p>

		<p>A re-evaluation audit shall then be performed before the maximum 12-month extension expires in order to renew certification.</p> <p>B. A re-evaluation hybrid audit for FM may be conducted as regulated in FSC-DER-2020-012.</p> <p>A re-evaluation audit for CoC may be conducted according to the preconditions, risk assessment and audit process as prescribed in FSC-DER-2020-005. While conducting the risk assessments, CHs that would be classified as 'medium' or 'high' risk (based on Annex A conditions), may be classified as 'low' risk by the CB if they can</p> <ol style="list-style-type: none"> <li>a) justify a low risk categorization based on past performance of the CH, or</li> <li>b) confirm that risk mitigation measures have been implemented by the CB (e.g. by sending a qualified quality management auditor in possession of a formal ISO 9001 certificate or completed training on ISO 19011 in accordance with FSC-PRO-20-004 on-site and conducting the audit as a hybrid audit).</li> </ol> <p>C. If after the first twelve (12) months extension of a certificate a re-evaluation hybrid audit for FM is not possible, the CB may extend the certificate another time for up to twelve (12) months (up to 24 months beyond its original expiry date), by performing a surveillance audit, which may be conducted in line with this derogation.</p> <p>In the surveillance audit the CB shall include the mandatory elements specified in Section 6 of FSC-STD-20-007 and shall audit requirements of the Forest Stewardship Standard based on the level of risk and previous performance of the certificate holder.</p>
	<p><b>Scope change audits</b> FSC-STD-20-001 V4-0 Clause 4.8.3</p>	<p>Changes in the scope of certification shall be handled in line with FSC requirements and in accordance with operational procedures of CBs. Where on-site audits are required, they may be conducted as regulated in:</p> <ul style="list-style-type: none"> <li>- FSC-DER-2020-005 for CoC</li> <li>- FSC-DER-2020-012 for FM</li> </ul>
	<p><b>Transfer audits</b> FSC-PRO-20-003 V1-0 Clause 3.2.f)</p>	<p>A transfer audit for FM may be conducted as a hybrid audit as regulated in FSC-DER-2020-012.</p> <p>A transfer audit for CoC may be conducted according to the preconditions, risk assessment and audit process as prescribed in FSC-DER-2020-005. While conducting the risk assessments, CHs that would be classified as 'medium' or 'high' risk (based on Annex A conditions), may be classified as 'low' risk by the CB, if they can confirm that risk mitigation measures have been implemented by the CB (e.g. by sending a qualified quality management auditor in possession of a formal ISO 9001 certificate or completed training on ISO 19011 in accordance with FSC-PRO-20-004 on-site and conducting the audit as a hybrid audit).</p>
	<p><b>On-site internal audits of bodies providing outsourced services</b> FSC-STD-20-001 V4-0</p>	<p>Where 3-yearly on-site audits of bodies providing outsourced services to CBs are due, the annual on-site audit may be replaced by a desk audit.</p>

	Clause 2.5.5	
	<b>General</b>	CBs shall retain documented evidence for each case where flexibility offered by this derogation has been applied and document the justification in the audit report (as applicable).
<b>Scope of derogation</b>	<input checked="" type="checkbox"/> Generic (applicable by all certification bodies) <input type="checkbox"/> Specific (applicable only upon individual request and PSU confirmation)	
<b>References</b>	IAF ID 3: 2011: Management of Extraordinary Events or Circumstances Affecting ABs, CABs and Certified Organizations IAF MD 4: 2018: The Use of Information and Communication Technology (ICT) for Auditing/ Assessment Purposes	
<b>Approval date</b>	30 January 2020; last amended 04 May 2021	
<b>Effective date</b>	04 May 2021	
<b>Transition period</b>	N.A.	
<b>Period of validity</b>	Until 31 of December 2021, unless invalidated prior to that date. FSC monitors the global development of the pandemic of novel coronavirus (COVID-19) and will update or invalidate the derogation in full or in part, as necessary.	