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Dear Bahtiar

Following discussions with Richard Karmel I am pleased to provide some comments on the Mazars-Shift discussion paper. CICS are not involved with Human Rights reporting or assurance but we are a world leader in providing assurance and verification for environmental; climate change and health and safety performance. Please do not hesitate to contact me if you require any further clarification or detail.

Kind regards

Shaun Bainbridge

Both the proposed elements for inclusion in the Reporting and Assurance Standards, set out in Annex B, and the possibility that companies may limit a Statement to certain aspects of their operations (Section 2.1)

For most types of environmental reporting it is not uncommon for companies to limit the scope, especially in the early years of reporting. However, the actual scope reported must be transparent in the report and the accompanying assurance report. Additionally, suitable explanations must be made as to why exclusions have been made. This approach is required to demonstrate that the organisation has not "cherry picked" its report content or hidden areas that it does not wish to disclose.

The proposal to include information about salient human rights risks, as well as general human rights policies and processes, in the Statement (section 2.2);

This is considered to be critical as organisations vary greatly and thus they will each have specific issues which are salient to them and others which are irrelevant. Having a report relevant to, and being assessed against issues which are pertinent to that organisations activities greatly increases credibility. This approach will also encourage sector benchmarking as the scheme develops.

The degree of disclosure about how the company addresses potential or actual severe impacts in the Statement (section 2.3)

As an audit company we would encourage companies and organisation to provide the maximum level of transparency possible. There will naturally be sensitive commercial information that may need protection from disclosure and a mechanism to disclose this appropriately could be explored. For example aggregation of numbers or perhaps removal of actual location names, etc. There may be a parallel mechanism for reporting details of the confidential data to a regulatory body?

The inclusion of additional matters in the Human Rights Statement, beyond the baseline requirements proposed in sections 2.1, 2.2 and 2.3 (section 2.4);

No comment

The appropriate approach for assessing Scoping Materiality and, any other general factors that should be considered (section 3.1);

The approach summarised for assessing “scoping materiality” is akin with that for the risk assessments used for determining sample size and scope for other schemes and standards. The criteria listed (location, industry/sector, product/service, past performance, vulnerable groups) are all relevant and can contribute to a scoring scheme matrix to determine the scoping materiality. There is one other criteria which should be considered and that is the skill and experience of the organisation in producing Human Rights reports. This factor is key as some organisations at the beginning of the journey may warrant a more detailed assurance process until their policies and procedures are refined and implemented effectively. Of course the organisation may make use of specialist consultants and advisers to assist with the reporting process which is also a factor to consider when making an assurance sampling plan.

The proposed definitions of ‘Material Weakness’ and ‘Material Misstatement or Omission’ (section 3.2);

The term “material weakness” is not familiar across the general reporting community. “Material misstatement” is a commonly accepted term and a “material omission” is closely related. In other certification schemes either of these would constitute a non-conformity and would render a modified assurance statement or make it impossible to issue an assurance statement (e.g. under climate change reporting a material misstatement” if uncorrected would not enable a verified opinion statement to be made.

The nature and amount of evidence that assurance providers should examine in order to provide the Assurance report (section 3.3);

Sampling plans and associated risk assessments are normally proprietary to the specific assurance provider. The overall strategy is to include the “material” activities or to do so on a “rolling basis” over an agreed assessment period (e.g. 3 years, 5 years). This approach is needs to be as objective as possible

The handling of relevant information not included in the public Assurance report (section 3.4);

Issues which are raised which are not full Non-conformities (or material misstatements) can be classified as “Opportunities for Improvement (OFI) or

similar. A mechanism must be in place for the assurance provider to make a formal report to the company of these but these can be in an internal document. Should a regulatory body request this evidence for whatever reason then they could be provided as evidence but in general the detail is not destined for general dissemination to stakeholders. These OFIs are an opportunity for the company or organisation to improve their reporting.

Whether the reasonable assurance level is appropriate for this Assurance review (section 3.5);

For reasons outlined in the report and to align with current best practice in other reporting frameworks the default should be “reasonable assurance”. Organisations who have carved out business using limited assurance “desk top” type assertions are now coming under scrutiny and the credibility of the assurance is under question.

The competencies of human rights assurance providers, and whether and to what extent they can or should be assessed and/or certified (section 3.6).

The competence criteria listed in this section are all relevant. It is envisaged that initially the competence against these criteria will be self- assessed but ultimately an independent accreditation body will be set up (UN led?) to assess assurance providers. A robust 3rd party accreditation scheme is essential to demonstrate that the scheme is credible and “policed” strictly and with independence.

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