



Impartiality Policy

1.1 Policy Statement

Adaptive Certifications is the legal entity responsible for certification activities. Reference to Adaptive Certifications in this Policy refers to this legal entity.

Adaptive Certifications, its Directors, Staff and Contractors fully understand the importance of impartiality in undertaking its Certification Activities. Adaptive Certifications will therefore ensure that in all its dealings with clients or potential clients all employees or other personnel are and will remain impartial. To ensure that impartiality is both maintained and can be demonstrated, the following principles have been established:

-  Adaptive Certifications certificates are only issued following a review by an independent authorised and competent member of the management team (who has not been involved in the audit) to ensure that no interest shall predominate
-  Adaptive Certifications does not certify another certification body for its quality management system for the scope of certification activities. Adaptive Certifications may provide certification to another certification body for other services provided (e.g., training, sales of standards, etc.), so long as the risks have been analysed and acceptable controls put in place to prevent unacceptable risks to impartiality
-  Adaptive Certifications does not offer (and has never offered) management system consultancy or any other form of consultancy to companies or individuals
-  Adaptive Certifications does not offer (and has never offered) an internal audit service to its certified clients
-  Adaptive Certifications does not own or have any interest (financial or otherwise) in any other company that offers certification or management system consultancy services.
-  Adaptive Certifications does not have (and will not form) commercial relationships with companies who offer consultancy or other services that can be construed as having an impact on the certification services provided by Adaptive Certifications. Any proposed relationship between Adaptive Certifications and any other company will undergo a risk assessment prior to that relationship being formalised, which will be reviewed by the Impartiality Committee. Any current relationships with companies, organisations and individuals will be risk assessed on a regular basis to ensure that the relationship does not impact upon the impartiality of the certification process.
-  Adaptive Certifications will not allocate a member of staff or a subcontractor to a management system audit where a relationship has existed in the preceding 2 years.
-  Adaptive Certifications does not and will not offer any commission ('finders fees' or other inducements) to any individual or company in respect of referrals of clients.
-  Adaptive Certifications does not offer *specific* training to any company in respect of implementing a particular standard for that company. Any training offered is general in nature and available to all companies or individuals who wish to attend.

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- ⓐ Adaptive Certifications will ensure that it is not linked or marketed in any way which links it with the activities of a management system consultancy and will take appropriate action should any such link be identified.
- ⓐ Auditors and others involved in the certification process are not and will not be put under any pressure and will not be influenced in any way to come to a particular conclusion regarding the result of an audit.

1.2 Adaptive Certifications' Impartiality Norms:

- ⓐ No outsourcing of the audit process to consultancy organisations.
- ⓐ No Referral Fees to be paid to consultancy organisations.
- ⓐ Facts based communication to clients/consultancy organisations.
- ⓐ Adherence to all Accreditation and other Adaptive Certifications policies.
- ⓐ Adaptive Certifications shall not carry out any other conflicting services other than its core business of Certification.
- ⓐ Adaptive Certifications shall not employ any professional conflicting its ethical policies.
- ⓐ Adaptive Certifications shall not allow any of its auditors to market their own services and conduct the audits for the same client.
- ⓐ Adaptive Certifications shall not allow any of its auditors to carry out financial transactions with clients/consultants.
- ⓐ Adaptive Certifications shall not carry out business with any consultant inducing pressures to compromise impartiality.
- ⓐ All employees of Adaptive Certifications shall disclose any situation impairing the business ethics.
- ⓐ Adaptive Certifications shall not allow any of the auditors to carry out audits for the client for at least 2 years from the date last provision of consulting services for the client.
- ⓐ Adaptive Certifications shall not allow any auditor to compromise on the audit timing required as per the accreditation/Adaptive Certification norms without consultation with Quality Manager or Technical Manager.
- ⓐ Adaptive Certifications shall not allow any auditor to conduct an audit for a client for which they have not been approved.
- ⓐ Adaptive Certifications shall maintain transparency with regard to all information.
- ⓐ No auditor shall divulge any confidential information of the client to any third party without written consent from the client and approval by a Director.
- ⓐ No auditor shall carry any client information with them after the usage period.
- ⓐ The utmost care is to be carried out for granting the right scope of certification.
- ⓐ Management are to be notified of any unethical practice observed as soon as possible.
- ⓐ Adaptive Certifications shall not allow any of its auditors to accept any gifts from clients or consultants of value greater than \$AUD50 without declaring to management.

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- Adaptive Certifications shall not allow any auditor to conduct audits for an organisation where any of its family members or close relatives are involved at a decision-making level.
- Disciplinary actions for not adhering to impartiality policies shall be taken by Management in consultation with the Impartiality Committee.
- To supplement in-house resources, Adaptive Certifications engages contracted auditors. At no stage does Adaptive Certifications outsource its audit process, certification decisions, or link its marketing activities to management systems consultancy organisations. In instances where contractors are utilised, who may work for consultancy organisations, agreements are made directly between Adaptive Certifications and the auditor. Adaptive Certifications retains full control of all decision-making processes regarding granting, maintaining, renewing, extending, reducing, suspending or withdrawing certification.
- Adaptive Certifications continues to evaluate the risks associated with its operations to ensure it can meet liabilities associated with its certification activities. A comprehensive risk analysis is maintained and reviewed at least annually.
- Conflict of Interest and objectivity is further covered through annual training sessions and contractually binding agreements, to ensure all management system certification activities are conducted in an independent and impartial manner.
- Audit and certification staff are prohibited from participating in the audit or certification of any organisation to which they have given assistance, by consultancy or training (other than professionally registered auditor training), or where they have any financial or commercial interest for a minimum period of 2 years prior to the date of application of the organisation for registration.
- When allocated to a particular contract, audit or certification staff shall not disclose or discuss any detail before or after the audit or certification, to any member of staff other than their direct management or other members of the team, as required by the *Confidentiality and Impartiality Declaration* signed on commencement of engagement.
- All contracted audit and certification staff or sector specialists used to support staff of Adaptive Certifications shall sign a *Subcontractor Agreement* and a *Confidentiality and Impartiality Declaration*.
- All directly employed management and staff are required to declare all financial interests or business activities on commencement and during the period of employment.
- Adaptive Certifications staff or subcontractors shall not suggest or imply that certification would be simpler, easier or less expensive if specific consultancy or training services were used. In addition, contractors cannot offer consultancy or training services to clients that they have been assigned to audit.
- The certification of companies who supply a service to Adaptive Certifications is not deemed to be an unacceptable threat to conflict of interest. However, certification of a company which, in partnership with Adaptive Certifications, provide a direct service is deemed to be an unacceptable threat to conflict of interest.
- Adaptive Certifications recognise that the source of revenue for a certification body is the client paying for certification, and that this is a potential threat to impartiality. Therefore, Adaptive Certifications is a self-financed independent organisation, with a number of controls to ensure that impartiality is maintained. To obtain and maintain confidence, it is essential that certification decisions are based on objective evidence of conformity or nonconformity, and that any decisions made

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are not influenced by other interests or by other parties. Certification decisions are made and signed for by a competent Certification Manager who was not responsible for the audit and was not a member of the audit team.

Adaptive Certifications recognises that threats to impartiality include the following:

- ⓐ Self-interest threats arising from a person or body acting in their own interest.
- ⓐ Self-review threats arising from a person reviewing the work that they have conducted themselves.
- ⓐ Familiarity (or trust) threats arising from a person becoming too familiar with or too trusting of another, instead of seeking audit evidence.
- ⓐ Intimidation threats arising from a person having a perception of being coerced openly or secretly, such as a threat to be replaced or reported to a supervisor.

1.3 Public Statement (as it appears on Adaptive Certifications' website)

Adaptive Certifications, its Directors, Managers, Staff and others involved in the certification of organisations understand the importance of impartiality in undertaking certification activities.

Adaptive Certifications will therefore ensure that in its dealings with clients or potential clients, all personnel involved in certification activities are, and will remain, impartial.

To ensure impartiality is both maintained and can be demonstrated, Adaptive Certifications has identified, and risk assessed relationships which may result in a conflict of interest or pose a threat to impartiality.

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