



ICGLR Regional Certification Mechanism
Third-Party Audit Summary Report

Green Status

African Top Minerals (ATM)

United Republic of Tanzania

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1. INTRODUCTION

1.1 Background and Audit Objective

The International Conference on the Great Lakes Region (ICGLR) is implementing a Regional Certification Mechanism (RCM) which is the part of the Regional Initiative Against the Illegal Exploitation of Natural Resources (RINR). The RCM aims at providing assurance to buyers of tin, tantalum, tungsten, and gold extracted in ICGLR Member States that minerals were produced, transported, and exported legally and in accordance with minimum standards related to conflict free sourcing while respecting Human Rights.

To provide reliable assurance, the RCM requires an independent third-party audit of the mineral exporter to verify compliance with applicable requirements. The third-party audit process includes the verification of systems, processes, and practices at the exporter, as well as at a representative sample of its supply chains up to and including mine sites.

The third-party audit process is managed by the ICGLR Audit Committee, which is a tripartite forum representing government, industry as well as civil society. The Committee approves auditors and formulates standards and terms of reference for the audits. According to the ICGLR Certification Manual, the Committee is further responsible to review the audit reports submitted by the accredited auditors.

The specific objective of this initial audit is to verify the level of conformance of African Top Mineral (ATM) systems, processes, and practices, up to and including mineral supply chains and mine sites of origin with the audit criteria with a view to obtain certification of ATM under the ICGLR RCM.

1.2 General Information of the Auditee

ATM was registered in the United Republic of Tanzania on 13th July 2015. Main shareholders of the company are Hassan Ibhar (who is also the Managing Director), Hamad A. Kamugisha and Mahad Dimbil.

The company is in possession of the Processing (Smelting) Licence No PCL 002/2018 issued on 23rd October 2018 and Dealer Licence No DL/005/KGR/2020-2021 issued on 6th October 2020.

The company procures and stockpile cassiterite from small-scale miners located at syndicate area in Kyera with the aim of processing them via smelting to tin ingots. Some of the small-scale miners are financed by ATM under the agreement they will sell the proceeds to ATM. Currently, ATM is in the process of finalizing installation of a smelter with capacity of 3 tons per hour.

The company has a total of 13 employees out of which five are permanent, four are on probation and there are four other casual labors. Ninety-nine percent of employees are Tanzanians.

2. AUDIT METHODOLOGY

The audit Team by Mr. Lusako Raphael and Eng. Gwakisa Mwakyusa of Tansheq Limited undertook the following elements during the Audit process. Table 1 summarizes how the audit team conducted the audit as per criteria stipulated by the second edition of RCM Manual of the ICGLR.

Table 1: Audit Methodology

Criteria from 2 nd Edition of RCM Manual of the ICGLR	How it has been complied in the report
Conduct a literature review	Relevant publications were reviewed, particularly publications that address the conflict situation in the region under audit (including corporate risk review documents and public reports required by the OECD Due Diligence Guidance).
Evaluate Exporters’ On-the-ground Risk Assessments	While paying close attention to questions in Part C of the Guiding <i>note for upstream company risk contained in the Supplement on Tin, Tantalum and Tungsten</i> that forms part of the OECD Due Diligence Guidance risks utilizing child labour and infiltration of designated mineral from conflict area due to proximity to the border with Rwanda were identified

Conduct in-country interview with key stakeholders	Interviews were conducted with management and staff of ATM, relevant local government officials (i.e., in Mines, Customs, Police, Political Officers, mineral traders and their employees, mineral producers performing all steps within the mineral production system
Conduct a records review of financial, CoC and other programs to verify that the various Supply Chain Actors are fulfilling the system Requirements regarding CoC and conflict financing	The documents were supplied by ATM and Resident mines officers at Kyerwa
Inspect several suppliers and mine sites	ATM suppliers which are based at Kyerwa Syndicate Mine site were inspected
Examine the operations of the Exporters' traders/suppliers and miners in their normal place of business.	This was conducted during onsite verification. ATM has yet to commence operations of its smelter, however ATM suppliers at Syndicate mine site were examined
Examine transportation routes	Transportation Route was verified up to Dar es Salaam Port
Examine the capacity of operation and records of the Exporter and its upstream suppliers	Capacity verification of ATM suppliers was verified and compared with ATM tin ore stored at Kyerwa tin market and Kaitambuzi
Opening and Closing Meeting	Opening and closing meetings were held on the 18th and 20 th August 2021 respectively, for the purpose of introducing the objectives of the audit and to summarize and feed-back the initial audit findings.

a. Protection of Confidentiality

The ICGLR RCM Standards mention that "names can be kept confidential to protect the physical safety of the interview subject". In some cases, names have therefore been excluded in this report.

In addition, this report was requested by the ICGLR Secretariat and ATM. The contents of this report may not be shared with any other party without the express permission of the ICGLR and ATM Management, except for the GoT via the ICGLR. An abridged summary of the report will also appear on the ICGLR’s website. The summary report will not include information that is confidential in nature, such as business practices, specific names of interested parties and pricing and/or financial information.

3. AUDIT FINDINGS

a. Status Criteria Findings

According to the ICGLR RCM Certification Manual, “Status Criteria” are criteria for which compliance is considered central and critical to the credibility and functioning of the ICGLR certification system. Status Criteria can be either Red Flag (full and immediate compliance is required) or Yellow Flag (a short grace period is permitted to correct the non-compliance)¹ and Green Flag which has no restrictions or requirements for follow-ups.

Following the completion of the TPA fieldwork, we identified a total of four Status Criteria findings, which were all considered “Green Flag” criteria. The findings are summarized below and detailed in the ensuing tables:

Table 2: Findings as per Exporter’s Checklist

Status Criteria	Status	Item
1. Formality & Transparency	Green	There is no potential of material from another unknown source is entering into the Exporter’s supply chain.
2. Management Systems	Green	The Exporter has initiated processes for the establishment of a strong company management

		system in line with the OECD Supplement on Tin, Tantalum, and Tungsten or Supplement on Gold.
3. Management Systems	Green	The Tanzanian is working on establishing a fool proof chain of custody system, the same is expected to be completed within a period of six months. The same will assess all risk in their supply chain in line with the OECD Supplement on Tin, Tantalum, and Tungsten or Supplement on Gold.
4. Management Systems	Green	Exporter has started working on a management system and will be completed in the next 6 months. The system will entail a design and strategy for responding to the identified risks in line with the OECD Supplement on Tin, Tantalum, and Tungsten or Supplement on Gold.

Table 3 Exporters Red Flag Criteria

Criteria	Status
Conflict	
Human Rights and Working Conditions	
Formality and Transparency	

Table 4 Exporters Yellow Flag Criteria

Criteria	Status
Conflict	
Formality and Transparency	
Management System	

5. AUDIT CONCLUSION

The audit team observed a high level of professionalism and cooperation from ATM although they are relatively new in the business. ATM has demonstrated compliance or good will to comply with Conflict, Human Rights & Working Conditions, Management Systems, Formality and Transparency categories. However, as a new company, ATM is recommended to strengthen its management system as it shall guarantee consistency in compliance to the RCM criteria.

It is therefore concluded that the ATM status is **GREEN**.