



WORKING GROUP ON STATISTICS

ADMINISTRATIVE DECISION ON THE DATA ANOMALY QUESTIONNAIRE & PROCESS

As set forth in Section V and Annex III of the KP Core document, the Kimberley Process (KP) recognizes the importance of quality and accurate KP Certification Scheme data, and is committed to identifying potential data anomalies and/or data entry errors in Participants' data in advance of the annual statistical analyses. This administrative decision is intended to outline the review process that the Working Group on Statistics (WGS) plans to use to accomplish this task.

Annex I of this Administrative Decision describes the "Data Anomaly Questionnaire" process to be followed by the WGS. Annex II sets forth a template of a sample questionnaire to be completed by the WGS in such case.

The Kimberley Process welcomes this effort and requests the WGS Chair to provide updates on its implementation.



Data Anomalies Questionnaire Process

In an effort to improve the quality and accuracy of the Kimberley Process Certification Scheme (KPCS) data, the Working Group on Statistics (WGS) plans to conduct scheduled reviews of the KPCS data submitted by Participants for the period ending six months after the end of the calendar year. The reviews will be of second quarter Trade and KP Certificate Count data and of Production data for the first half of the year. Summary data at the Participant level is to be compared from period to period and anomalies (significant increases/decreases) are to be identified for WGS members to review for consideration of sending the Participant the Data Anomalies Questionnaire (DAQ). Upon receiving a DAQ, Participants are to respond to every question and provide additional details if necessary. Failure to respond to the DAQ may result in the publication of the Participant on the “Name and Shame” list on the Kimberley Process (KP) website, www.kimberleyprocess.com.

The intent of this process is to identify potential data anomalies and/or data entry errors in Participants’ data in advance of the annual statistical analyses in order to provide as complete and accurate a KPCS database as possible. As such, the DAQ process is expected to complement the annual statistical analyses, which are undertaken for each Participant on an annual basis with data submitted for the calendar year. This is based on the assumption that each Participant submits complete data for the statistical period under review within the required deadline.

The reviews are not intended to be conducted on first, third or fourth quarter Trade and KP Certificate Count data or on Production data the second half of the year.

If an anomaly arises due to “missing” data or due to data that was “not published” by a Participant, the WGS Chair would follow up with that Participant. However, if an anomaly arises due to a Participant submitting a “No Trade” report, that Participant would receive a Data Anomalies Questionnaire.

The proposed process is outlined below:

1. For the reference period ending June 30 of the calendar year, the WGS staff generates a KP data anomaly report for Trade, KP Certificate Counts, and Production for each Participant. The analysis consists of:
 - the comparison of data from the reporting period examined to data from the previous reporting period, and
 - the comparison of data from the reporting period examined to data from the corresponding reporting period of the previous year.



The data anomaly report outlines all fluctuations of + 100% or – 80% or more (increases of 100% or more or decreases of 80% or more) for Trade and Production for each of the comparisons listed above. Thresholds for the percentage fluctuations are subject to change depending on WGS findings. The threshold for KP Certificate Counts may be higher than the thresholds for Trade and Production.

2. The WGS Chair sends WGS members a list of the anomalies meeting the criteria indicated in Item #1 of this process for discussion at the next WGS teleconference.

If a WGS member is unable to participate in the teleconference call but would like to submit comments or concerns, that member is to notify the WGS Chair of such intent at least 5 calendar days prior to the teleconference. All comments/concerns should be addressed in writing to the WGS Chair, with a copy to the members of the WGS, and needs to be received no later than 3 calendar days prior to the teleconference. Only comments from WGS members who have properly notified the WGS Chair of their absence will be considered.

If the WGS member who is unable to participate in the teleconference objects to any of the potential data anomalies, the comments/concerns should specify the reason(s) for the objection. Taking into consideration comments/concerns from WGS members unable to participate in the teleconference, the WGS members present on the teleconference determine in consensus that a potential data anomaly exists that warrants the sending of a DAQ to a particular Participant.

The WGS Chair is to delegate the responsibility of preparing the DAQ to the WGS member which conducted the identified Participant's country analysis the previous year. The WGS Chair also assigns another WGS member as a reviewer of the questionnaire once completed. The responsibility of the reviewer is to ensure that the relevant issues are presented in the questionnaire. This reviewer would also be available for guidance or consultation if required or requested by the author of the questionnaire. The two WGS members (questionnaire author and reviewer) have 14 calendar days from the date of the teleconference to prepare the required DAQ and send it to the WGS Chair.

If the identified data anomaly involves a Participant who is a WGS member, consensus would be reached by the remaining members of the WGS on the teleconference. The identified WGS Participant would not be included in the consensus. For data anomalies involving Participants not on the WGS, the decision would be adopted by consensus of WGS members on the teleconference. In both cases, comments/concerns from WGS members unable to participate in the teleconference would be taken into consideration, as long as the WGS Chair has received proper notification.



3. The WGS Chair forwards the completed DAQ to the members of the WGS who have 7 calendar days to comment. The author and reviewer assigned to prepare the DAQ take into account any comments provided by the WGS members and update the questionnaire accordingly.
4. Once finalized, the WGS Chair sends the DAQ to the identified Participant and includes the WGS members on the correspondence.
5. The identified Participant is required to send an e-mail reply to the WGS Chair upon receipt of the DAQ and has 28 calendar days from the date of the WGS Chair's e-mail to respond to the questionnaire.
6. Upon receipt of the response to the DAQ from the Participant, the WGS Chair forwards the response to the two WGS members responsible for the prepared questionnaire (questionnaire author and reviewer) to determine if the response is adequate. If the response is determined to be adequate, the two members would state so in writing to the WGS Chair who would contact the Participant under review to inform them that their response has been accepted by the WGS and the matter is closed. The WGS Chair would include all WGS members on the correspondence.

If there is no consensus between the questionnaire author and reviewer, the author would notify the WGS Chair who would send the Participant's response to the WGS members for discussion in teleconference.

If a WGS member is unable to participate in the teleconference, that member may submit concerns or comments in writing to the WGS Chair with a copy to the members of the WGS no later than 3 calendar days prior to the teleconference.

If the identified Participant indicates that the data anomaly is due to an error, the Participant should correct the data in the Participant section of the KP Rough Diamond Statistics website, <https://kimberleyprocessstatistics.org>. In the event that the Participant is unable to make the correction, the Participant should notify the WGS Chair by e-mail with specifics and request that the WGS Chair correct the data on its behalf.

If the response is ultimately deemed inadequate, additional follow up may be requested to further clarify the information received. Taking into account comments provided by WGS members, the two WGS members assigned to the DAQ would notify the Participant of the necessary follow-up action needed. The Participant has 14 calendar days to respond to the follow-up questions. Once received, the WGS Chair would send WGS members a copy of the Participant's correspondence.



7. If, after the initial 28-calendar day period, no response to the questionnaire has been received, the WGS Chair sends a follow-up message to the identified Participant indicating that a response has not been received and that a failure to adequately respond to the DAQ may result in the publication of the Participant on the “Name and Shame” list on the KP website. A copy of the message is also sent to *the KP Chair, WG Chairs, and all WGS members* on the correspondence.

8. If no response is received 14 calendar days after the follow-up correspondence, the matter is referred to the KP Chair for further follow-up. The KP Chair, within 7 calendar days of receipt of the email from the WGS Chair, is required to send an email to the identified Participant and copy all parties identified in Item #7 on the correspondence. The e-mail would include a notice that failure to adequately respond to the Data Anomalies Questionnaire may result in the publication of the Participant on the “Name and Shame” list on the KP website, www.kimberleyprocess.com.

9. The identified Participant has *14 calendar days* to respond to the KP Chair and include all parties identified in Item #7 above on the correspondence.

10. If, after the 14-day calendar period, no response has been received by the KP Chair, the identified Participant should be added to the “Name and Shame” list on the KP website, www.kimberleyprocess.com.

The addition of a Participant to the “Name and Shame” list should only occur if the Participant has not responded to the WGS Chair and/or the KP Chair (and not solely if a reasonable answer provided in good faith was not deemed satisfactory by the WGS).

11. All documents relating to the questionnaire process will be made available in a section of the KP Rough Diamond Statistics website, <https://kimberleyprocessstatistics.org>.

The WGS intends to review and evaluate this process after one cycle of its implementation.



WGS Questionnaire in Response to Statistical Anomaly

[INTRO TEXT AND ANALYSIS IDENTIFYING AND EXPLAINING ANOMALY, INCLUDING COPIES OF RELEVANT CHARTS FROM DATABASE/WEBSITE. IT IS ASSUMED THAT CASES OF PROLONGED ANOMALIES, E.G. LEBANON-GUINEA, WILL BE RARE, AND MORE OFTEN WILL BE LIMITED NUMBERS OF SHIPMENTS, SO THIS SHOULD BE A MINIMUM AMOUNT OF TEXT]

Based on these statistics, the following observations should be addressed by the xxx KP Authorities:

- o What is the source of the anomaly identified above?*
- o If necessary, have you interacted with the company(ies) involved in these shipments to verify origin/provenance, etc.? What were the results?*
- o Have you conducted reconciliations with your trading partners? In particular, has reconciliation been conducted with YYYY? If so, what were the results?*

Additional example questions for producers:

- o Explain the source(s) of increased production.*
- o Have the sources of new or increased production been reviewed by the KP, in particular the WGDE?*
- o If necessary, have you interacted with the company(ies) involved in this additional production, to verify reported output, etc.? What were the results?*

Additional example questions for traders/importers:

- o Explain the source of increased trade with YYYY.*
- o If necessary, have you interacted with the company(ies) involved in this trade to verify their processes, discuss origin issues, etc.? What were the results?*