



CONFIDENTIAL

**Minutes of the ABCB Management Committee Meeting
held on 3 April 2012 at BSI, Kitemark Court,
Davy Avenue, Knowlhill, Milton Keynes, MK5 8PP**

Members present:

Rob Wallis	BSI, Chairman
Bernard Anderson	Eagle Certification
Ian Knott	SIRA

In Attendance:

Jeff Ruddle	UKAS
Trevor Nash	Chief Executive

1.0 Apologies for Absence

Apologies had been received from Carolyn Harris, Mike Lawson, Emma McCarthy and Lorraine Turner.

2.0 Minutes of last meeting held on 6 December 2011

The minutes were agreed as a true record.

3.0 Matters arising not covered elsewhere in the agenda

3.1 Ex Minute 3.2 Transforming Regulatory Enforcement

The Government has produced a response to the consultation. The main recommendation affecting certification bodies is that certification and accreditation can contribute to co-regulation. Government departments will think carefully about how regulations are enforced when new regulations are being designed or when existing regulations are challenged as part of the Red Tape Challenge.

The response outlines the reforms the Government plans to implement. It was agreed that Trevor Nash should keep in contact with Malcolm Hynd and John Mortimor so that ABCB can be kept up to date with progress. It was also agreed that ABCB should remain engaged and volunteer to participate in any working groups that are relevant to Members' activities.

Action: Trevor Nash

3.2 Ex Minute 5.3 Annual Lunch

Trevor Nash reported that a seminar and lunch were held on 20 March at Imperial College. There were 40 delegates for the seminar and 35 for lunch. The seminar covered the new product certification accreditation standard - ISO IEC 17065, the UKAS approach to assessing competence, cross frontier accreditation under Regulation 765 and UKAS customer service. General feedback was positive and there were a couple of expressions of interest in membership, one courtesy of Mike Lawson. The event made a small surplus of about £75.

3.3 Ex Minute 6.4 UKAS Complaints Policy

UKAS has reviewed the information on its website regarding customer feedback/complaints. Emma McCarthy's concern related to the clarity of the content with regard to ensuring that complaints about UKAS accredited CABs were first referred, by the complainant, to the accredited CAB. This is covered in the content on the website in the form of a note, although within the UKAS internal procedure more information is given. The matter has been discussed with the UKAS Customer Feedback/Process Improvement Manager and it has been agreed that the website details could be improved. UKAS are currently drafting the revised content and expect that this will be available within the next few weeks.

UKAS fully understand the concerns raised and hope that the revised wording will provide the necessary clarity. It is, however, difficult to provide a succinct overview of the complaints process on the website and at the same time ensure that it details cover all possible scenarios. Jeff Ruddle pointed out that there may be some circumstances where it would not be appropriate for it to be referred to the CAB as providing information may impede the investigation into the complaint. However, there would always be an audit trail to show why a complaint had been handled in this way. Rob Wallis replied that the CAB would always want to know that a complaint had been made even though the details may not be made known. It is appreciated that confidentiality may prevent UKAS providing detailed feedback to a complainant. Jeff Ruddle stated that UKAS does sometimes ask the CAB against which a complaint has been made if they are willing for information to be shared with the complainant.

Bernard Anderson raised an issue regarding a complaint he had made about another accredited CAB which had not been upheld. He did not believe that the complaint had been progressed correctly regarding the technical detail.

This complaint is also being investigated up by the Northern Constabulary as fraud may be involved. Jeff Ruddle replied that any investigation of a complaint by UKAS would normally involve a Technical Expert. He was unable to comment further at present but agreed to relook at the background to the complaint.

Action: Jeff Ruddle

4.0 Meetings

4.1 Joint WG on non-accredited certification bodies 31 Jan 2012

The WG held its second meeting at the end of January. There was representation from the Trading Standards Institute at this meeting. BIS were thanked for getting a definitive position published on their website. However, TSI did not believe that the BIS statement provided enough for Trading Standards to get involved at this juncture and that it would not be appropriate to use public money on such cases. There was a consensus that if BIS's position could be changed to UKAS accredited certification being "required" rather than "encouraged" then it would be clearer for all. It was also considered that regulatory reform could contribute to the recognition of accredited certification over non-accredited.

The accredited CBs' 'Achilles heel' is that they also issue unaccredited certificates, under some circumstances and unaccredited certification bodies exploit this. It was agreed that accredited CB's should commit to operate in accordance with the appropriate accreditation standard in instances where they are issuing non-accredited certificates. This could be incorporated into the ABCB Code of Practice.

FSB has made the decision to stop accepting advertising from unaccredited certifiers, even if they are FSB members.

CIPS has agreed to assist with communications via their members and also via their affiliates in public sector procurement and will consider publishing an article in its members' newsletter.

Trevor Nash has contacted ISO regarding ISO Certification Agency (ICA) and their use of ISO in their name. ISO lawyers have indicated that this is illegal and they will be contacting ICA through BSI to request that they cease using the domain names and organization name itself, as they appear to be ISO. A draft letter has been agreed by BSI and ISO that will be sent to ICA in the near future. The letter lists 10 actions required and the consequences of failure to follow up.

4.2 EACC 15 Feb 2012

The most significant matter was that the EACC has established a Working Group to develop a harmonised approach to the OHSAS 18001 accreditation in accordance with ISO/IEC 17021.

There is a proposal for a new work item for ISO CASCO to develop a standard for 'Conformity Assessment. Principles and Guidelines for determining audit

time in management system certification'. This was also discussed at the CAS/1 meeting recently and the UK is to vote against the proposal as IAF MD 5 already covers this adequately.

An EA policy document, Criteria and Procedure for the Evaluation and Acceptance of Conformity Assessment Schemes for Inclusion in the EA MLA is out for voting.

A first draft of a document on Witnessing Practices for MS Certification has been produced.

4.3 UKAS PAF

6 Mar 2012

ABCB received positive comments about its role in the non-accredited certification bodies initiative and the successes to date. It was also noted that the current issue of UKAS Update carries an article on the statement on the BIS website and mentions ABCB's role in this.

Following a question Trevor Nash raised at the last PAC regarding the lack of transparency of BIS monitoring of UKAS, there was a presentation from John Mortimor which explained what BIS is doing and confirmed that BIS is satisfied UKAS is meeting its obligations under Regulation 765 and the MoU with government.

In reviewing UKAS's priorities for 2012/13, Paul Stennett announced that one of their specific business objectives is to have

'a stable certification section delivering the required services to the existing customer base'.

The study on the economic benefits of the innovation infrastructure, including accreditation has recently been completed and, despite the input received, has concluded that while there are good economic indicators for other parts of the infrastructure, there is less information available on accreditation.

As a consequence UKAS, with financial support from BIS, has commissioned Birkbeck College to undertake a follow on study, specifically, of the economics of accreditation. The main motivation is to have available a rigorous, independent analysis of how the accreditation system impinges on important aspects of economic life, such as innovation and business and economic performance. This material will improve general understanding of the benefits of using accredited conformity assessment and help businesses make informed decisions when procuring conformity assessment and accreditation services. It is also required by government to support evidence based policy making in relation to accreditation and conformity assessment.

4.4 EFAC

9 Mar 2012

Trevor Nash was confirmed as the new Chairman of EFAC.

Ivan Savov was unable to be at the meeting, but submitted a written report which stated that in 2011 income was €12110.55 and expenditure was €15,826.80. In addition, an invoice for €3,294 had been received for legal services from lawyers in Brussels, but not yet paid. Trevor Nash reported that ABCB is also due approximately €1900 for accountancy charges and expenses for attending EACC meetings in 2011. EFAC started 2011 with a positive balance of approximately €1,650. The reported loss of €3,716.25 plus creditors of over €5,000 would leave a negative balance of over €7,000 at the end of 2011.

Members questioned whether an agreement was already in place with CEOC and whether any monies were due to CEOC for services already provided, such as hosting of meetings. Ivan Savov's report stated that his expenses were paid on Moody's credit card and re-invoiced, but Moody had not been reimbursed yet. It was not clear whether the expenditure of €15,826.80 included any sums still to be reimbursed to Moody. Ivan Savov has indicated that his organization has funded some of his EFAC activities. Final information for the 2011 accounts is awaited and this should clarify the situation.

The Belgian lawyers invoice was queried, particularly who had instructed the lawyers and whether the invoice covered work completed to date or all the work necessary up to establishment of the Belgian company. CEOC had been asked to instruct the lawyers on behalf of EFAC and the invoice covers work completed to date. There was discussion regarding whether EFAC should continue with the establishment of a company in Belgium or retain the existing arrangement of EFAC being registered in England. The meeting agreed that, ideally, for the present EFAC should not proceed further with the establishment of a company in Belgium or an agreement with CEOC, however, but that this would be dependant on any commitments already given. An MoU between CEOC and EFAC was signed in November 2011 but there does not appear to be any binding commitments regarding establishing a Belgian company or the registered office at CEOC.

Members expressed concerns that based on the information provided and the expected subscription income for 2012 EFAC would be unable to continue funding attendance at meetings in 2012 to the same levels as previously.

Based on six full and two associate members the income would be €15,016. It was noted that the IAF membership subscription for 2012 has increased by over 17% to \$5,439 (~€4080). This taken along with the negative balance at the beginning of the year would leave only about €4000 to fund attendance at meetings in 2012. It was agreed that external creditors would be paid but that internal creditors (members) would not be paid until sufficient funds were available. On this basis it was agreed that EFAC would fund attendance at the IAF TC, EA General Assembly and ISO CASCO Plenary. Members would be asked to volunteer to represent EFAC at EAAB, EACC and EAHHC meetings at their own cost.

It was agreed that it is necessary to increase income and there should be a major exercise of seeking new members. The first priority should be to recruit full members but this may need to be done by approaching individual

certification bodies in the first instance. Trevor Nash agreed to organize a mail shot to potential new members promoting the benefits of EFAC membership. It was agreed that new members should be offered free membership for 2012 so that they could experience the benefits before making any financial commitment.

It was agreed that ABCB should exploit its position in EFAC to the maximum.

4.5 IAF TC 27 Apr – 1 May 2012

Trevor Nash reported that UKAS has raised an issue, for discussion at the IAF TC, of certification body activities not being marketed or offered as linked with the activities of a consultancy organisation.

Whilst it is specifically stated that the legal entity accredited as a certification body cannot offer management systems consultancy, and relationships must be considered as part of their impartiality risk, some organisations directly related to a certification body through common ownership offer consultancy under the same (corporate) brand. UKAS is suggesting that from a client's perspective, it would not be clear that these were in fact two separate legal entities, one for consultancy and one for certification.

UKAS is asking the IAF TC to advise accreditation bodies that certification and consultancy marketed under the same brand name is contrary to the requirements of ISO/IEC 17021. Members had no disagreement regarding the need for consultancy and certification to be separated and that greater clarity would be beneficial. However, provided it could be demonstrated that there was no risk to impartiality, how these services are branded is up to individual organisations.

The IAF TC is being asked by IIOC to endorse a two year transition for the implementation of all newly published ISO/CASCO conformity assessment standards unless overridden by the need to produce a specific guidance document as agreed by the IAF TC.

4.6 EA General Assembly 23/24 May 2012

Trevor Nash informed the Committee that as Chairman of EFAC, he will be attending the EA General Assembly. The agenda and papers for the meeting are not yet available.

4.7 ABCB AGM TBA

Trevor Nash informed the Committee that elections for Chairman and Directors of ABCB are due and will need to be arranged. The Annual General Meeting should be held in conjunction with the next Management Committee Meeting.

5.0 Chief Executives Report

5.1 Management Accounts – February 2012

Trevor Nash reported that he expected ABCB would end the year with a balance of between £115K and £120K in the bank. This is equivalent to almost two years' running costs. The committee agreed that Members should derive some benefit from the strong financial position and that subscriptions for 2012/13 should be reduced by 10%, even though this may result in a small loss for the year. It was also agreed that the balance should be progressively reduced over the next few years to a level that covers one year's running costs.

Action: Trevor Nash

Trevor Nash also reported that the money held in the bank was earning negligible interest and he had recently met with the Association's Business Manager at NatWest to investigate more lucrative alternatives. It was agreed that some of the balance should be invested in Fixed Rate Deposits for periods of between six months and two years.

Action: Trevor Nash

6.0 UKAS

6.1 UKAS customer service

Jeff Ruddle informed the Committee of significant re-structuring of UKAS at Board level. Jane Beaumont would be retiring from UKAS in February 2013. Graham Talbot would be retiring as a Board Director of UKAS in July 2012, but would continue in a part time capacity to cover his obligations as EA Chairman. From 1 May 2012, Lorraine Turner would be taking over from Graham Talbot and Jeff Ruddle would be taking over as Operations Director. Jane Beaumont will be Business Development Director until her retirement, at which time Lorraine Turner will take over this role and a new Technical Director will be appointed. Replacement Divisional Directors will be recruited, but the Accreditation Divisional Director will only deal with laboratories.

The Finance Director, Alan Hill, is leaving UKAS in June and his replacement will be joining in mid April.

Nigel Overton is now in post as manager of the Certification Section and the resources of the Section are now stable. The last recruitment was in September 2011 and the latest recruits are now nearing the end of training. Recruitment of a new Assessment Manager with construction industry experience is almost complete and there will be further recruitment for the 'Green Deal'. The number of liaison officers has increased from 4 to 6.

The case load review is almost complete and there have been improvements in forward booking of visits. The backlog in decisions has improved and most currently being processed are from March, although there a few from January and February.

The target for processing extensions to scope is 30 days and averaged 80 days in the last quarter. This did, however, include a significant backlog with 120 being processed compared to an average receipt of 80 applications for extensions per quarter. Further progress is expected in the next quarter with a reduction to 40 to 50 days.

The target for reviews of evidence is 20 days and the average for the last quarter was 24 days.

Jeff Ruddle concluded by saying that Trevor Thompson had made a number of changes, which had addressed cultural issues and that there has now been progress in rebuilding the Certification Section. Rob Wallis commented that there had been a history of ABCB criticising UKAS and that better communication had resulted in better understanding and a more positive relationship. Members were seeing improvements and although the situation is not perfect there has been progress.

6.2 UKAS Technical Advisory Committees

Trevor Nash reported that he had met with David Bell, Chairman of the Ascertiva Group's impartiality committee, who had expressed an interest in representing customer interests on the UKAS Management Systems Technical Advisory Committee. He would be passing David Bell's details to Lorraine Turner.

Action: Trevor Nash

6.3 ISO/IEC 17021:2011 transition

Jeff Ruddle reported that two certification bodies had successfully completed the transition. There were a further 96 to complete the transition, of which 10 are going through the decision process. There were 26 gap analyses still awaiting review and these are being prioritised according to the assessment programme. Two certification bodies have not submitted a gap analysis.

UKAS is confident that the situation is under control and that all certification bodies that were adequately prepared and had met the timescales would have the opportunity to complete the transition by the deadline. It is possible that some may not complete the transition in time, but this would be due to their failure to meet timescales or failure to comply with the standard.

The most difficult issue for certification bodies is proving to be demonstrating the effectiveness of their processes for determining competence criteria and evaluating competence.

6.4 Other UKAS matters

Jeff Ruddle reported that UKAS will be hosting a secondee from CNAS (China) for three to four months, commencing July/August. He asked if this individual could attend an ABCB Meeting and also if ABCB Members would be willing to host a visit. Trevor Nash suggested that attendance at the ABCB AGM may prompt Members to attend. He also agreed to circulate Members requesting their assistance, once details of the secondment had been finalised.

Action: Trevor Nash

Jeff Ruddle informed the Committee that UKAS is looking to establish a Working Group to look at the logistics of witnessed assessments from the perspective of both UKAS and certification bodies. It is hoped the first meeting will be held in June/July. ABCB is invited to nominate two representatives to participate in the Working Group. Trevor Nash agreed to circulate Members to ask for volunteers.

Action: Trevor Nash

7.0 Any Other Business

It was agreed that the Chief Executive's salary should be increased by 3%.

8.0 Date and Venue of Next Meeting

The next meeting will be held in conjunction with the AGM, on a date to be agreed.