



Issue # 7

March 2004

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FROM THE CHAIR ...

Over the last year, PAC has achieved great progress in its various programs. The 10th PAC Plenary Meeting was successfully held in New Delhi, India from 26 – 28 September 2003. On behalf of the PAC Executive Committee I would like to take this opportunity to express our sincere thanks to all PAC colleagues for their active participation and great contribution to PAC activities and also to NABCB for their excellent assistance during the Plenary Meeting.

The Plenary Meeting was advised that STAMEQ Vietnam has commenced operating an accreditation program and is therefore eligible to move from Associate Member to Full Member Status. Members unanimously voted for STAMEQ to be granted Full Membership of PAC. At present, PAC has 19 members, with 17 Full Members and 2 Associate Members.

As a result of the continued efforts of PAC members over the past four years, the PAC MLA for Accreditation of Environmental Management System Certification / Registration (PAC EMS MLA), became operational at the 10th PAC Plenary.

The EMS MLA was signed on 27 November 2003. The inaugural signatories to the MLA are Japan Accreditation Board for Conformity Assessment (JAB), Joint Accreditation System of Australia and New Zealand (JAS-ANZ), the National Accreditation Council of Thailand (NAC) and the Standards Council of Canada (SCC).

Applications from 5 other PAC members are currently being processed. The operation of the PAC EMS MLA is another milestone in the PAC activities since its establishment in July 1995. I would like to thank JAB Japan, JAS-ANZ Australia & New Zealand, SCC Canada, NAC Thailand, CNAB China, SAC Singapore and other PAC members for their contributions during the preparatory and peer evaluation process of the EMS MLA program.



The PAC Chair congratulates inaugural Signatories to the PAC MLA for EMS:

Mr Chaiyong Krittapholchai (NAC Thailand), Mr Yoichiro Isu (JAB Japan), Mr Xiao Jianhua (PAC Chair), Ms Elva Nilsen (SCC Canada), Mr Tony Craven (JAS-ANZ Australian and New Zealand)

The QMS MLA has been established for six years and maintains stable development. Following the successful peer evaluation, Hong Kong Accreditation Service (HKAS) was admitted to sign the PAC QMS MLA at the 10th Plenary Meeting. This brings the number of PAC QMS MLA signatories to 14.

The PAC Product MLA program commenced in 2001. Three evaluations have been undertaken to date, with JAS-ANZ and SCC successfully completing the process. The evaluations were conducted jointly with the International Accreditation Forum (IAF). A further application is currently being processed and the PAC MLA for Product will become operational as soon as there are three approved signatories.

The continual improvement of the peer evaluation process is always an important aspect of the operation of the PAC MLA programs. During the 10th Plenary Meeting, the PAC Technical Committee, PAC Experienced Peer Evaluators' Workshop and PAC MLA Group respectively discussed relevant issues on strengthening the PAC MLA process in all three programs, improving the understanding and interpretation of ISO/IEC Guides and associated IAF Guidance, improving the reporting process for peer evaluations and etc. This will further enhance the operations of the PAC MLA programs when evaluating applicants and monitoring the signatories across the three PAC MLA programs.

The PAC developing programs achieved new progress also in the last year. On the request of the PAC Executive Committee and with the support of NAC and DSM, Thailand and Malaysia submitted a PAC project proposal for EMS to APEC/SCSC earlier 2003. The project proposal was strongly supported by China, Philippines and other economies at SCSC and finally approved by APEC in August 2003. The project covers two components, including training for certification bodies of 7 economies and training for accreditation bodies of 8 economies in the EMS area. The project will be completed in September 2004. JAS-ANZ, SCC and JAB agreed to provide experts to support the implementation of the project.

PAC successfully completed the APEC project for product certification and accreditation in 2003. The project was started from September 2001. The certification bodies from Hong Kong, Mexico, Indonesia, Chinese Taipei, Thailand, Philippines, Malaysia, Korea and Vietnam and accreditation bodies from Mexico, Singapore, Vietnam and Malaysia received training from PAC in their economies with funding from APEC. Two trainee peer evaluators from PAC members observed peer evaluations as part of the project. At the request of the PAC Executive Committee, JAS-ANZ, SCC, JAB and SAC provided trainers for the training activities.

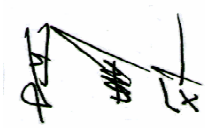
The PAC continued to emphasise the importance of promoting PAC throughout the Region. Members discussed ways promoting accreditation and MLA programs to the general public at the last Plenary Meeting. The PAC website and Newsletter will be further enhanced and the PAC promotional CD will be released in the first half of 2004.

To ensure the further development of various PAC activities, the PAC Executive Committee last year performed a strategic planning exercise for the future directions of PAC, with a view to further improve its service to members, the participation by members in PAC activities, the management of various PAC programs etc. Following deliberation amongst members regarding the future directions of PAC, the following Mission Statement was adopted.

“To represent the interests of Asia-Pacific economies nationally, regionally and internationally in the area of certification / registration body accreditation and related activities in support of APEC, IAF and WTO / TBT aims and objectives.”

Last year, Mrs. K S Tan who has retired from SAC Singapore, and Mr. Chaiyong Krittapolchai of NAC Thailand, both resigned from the PAC Executive Committee. The members thanked Mrs. Tan and Mr. Krittapolchai for their great contribution to the work of PAC during the past three years and elected Mr. Suprpto of KAN Indonesia and Mr. Shinichi Iguchi of JAB Japan as new members of the Executive Committee.

PAC has achieved great progress over the past 12 months. The members of the PAC Executive Committee, the Chairs of the PAC Committees and PAC Secretary have played key roles for the development of PAC. On behalf of all PAC members, I would like to take this opportunity to express my sincere thanks to Ms. Elva Nilsen of SCC (Vice Chair of PAC), Dr. Peter Herrmann of IIOC, Mr. Anthony Craven of JAS-ANZ, Mr. Suprpto of KAN and Mr. Shinichi Iguchi of JAB (the members of the Executive Committee), Mrs. K S Tan and Mr. Chaiyong Krittapolchai (former members of the Executive Committee), Mr. Steve Keeling of JAS-ANZ (Chair of the Technical Committee), Mr. Tetsuro Kawaberi of JAB (Vice Chair of the Technical Committee), Mr Phua Kim Chua of SAC (Convenor of the Experienced Peer Evaluators' Workshop) and Ms. Belinda Mort (PAC Secretary) for their great contributions to the PAC activities.



Xiao Jianhua
PAC Chair

MEMBER NEWS

CNAB PR China

CNAB will formally commence the accreditation of bodies certifying Food Safety Management Systems based on HACCP and Organic Products

In 2003 CNAB conducted the accreditation of bodies certifying food safety management system based on HACCP and organic products certification bodies. It has finished the pilot accreditation of seven HACCP CBs and one organic products certification body respectively.

After the pilot accreditation was finished, CNAB organized relevant personnel to revise the general accreditation requirements and procedure rules of accreditation for the bodies certifying food safety management systems based on HACCP and the organic products certification bodies, and has compiled the standards for certification.

On that basis, CNAB will commence the accreditation of bodies certifying food safety management system based on HACCP and organic products certification bodies.

NABCB India

NABCB had signed the PAC MLA in August 2002. Mr Vijay K.Mediratta who was the acting Director of NABCB at that time has recently stepped down from his tenure post as Secretary General, Quality Council of India, after completing his term. Mr Girdhar J.Gyani has taken charge as Secretary General of QCI.

B.Venkataraman became Director of NABCB over a year back and a gradual process of induction included facing an internal audit and a follow up peer assessment by PAC.

There has been a steady growth in terms of number of accreditations granted, number of accredited certificates issued by accredited Certification Bodies as well as the income of NABCB. NABCB has plans to offer accreditation in the area of product certification in the near future.

There has been a growing concern about the quality of ISO certification (both ISO 9001 & ISO 14001) and the Indian government has taken certain initiatives recently. This includes an insistence on appropriate controls, over the Indian operations of sub-contractors of foreign certification bodies, by the accreditation bodies. Presently this is limited to certain schemes involving government funding.

JAS-ANZ's Regulatory Schemes

The move for JAS-ANZ, over the last five or so years, has been towards developing strong relationships with regulators in both Australia and New Zealand. Regulators in both of these economies are well advanced in adopting third party certification, inspection and testing to replace in-house conformity assessment. They have realised the benefits with respect to reducing costs, and also the benefit of being able to concentrate on their policy development and enforcement activities through the devolvement of the assessment processes.

JAS-ANZ currently administer a number of programs for regulators in both of these countries:

- Registered Automotive Workshop Scheme (RAWS), for the Department of Transport and Regional Services (DoTRS);
- Certification of meat processing establishments to the Australian Meat Standards, for Primesafe;
- Accreditation of Designated Audit Agencies (DAAs) who are responsible for the assessment of Health Service Providers on behalf of the Ministry of Health;
- Accreditation of certification bodies providing certification to SafetyMAP, the standard prepared by Worksafe Victoria;
- Accreditation of third party agencies (TPAs) to undertake inspection activities on behalf of New Zealand Food Safety Authority (NZFSA);
- Accreditation of Independent verification agencies (IVAs) to undertake inspection activities on behalf of New Zealand Ministry of Agriculture and Fisheries (MAF);

- Accreditation of medical general practices as a basis for funding by the Australian Department of Health and Ageing.

These programs have been developed at the request of the regulator, involving stakeholder input. JAS-ANZ accreditation programs are developed with the assistance of technical committees. Membership of these committees is drawn from interested stakeholders, which include regulators.

Once the program is established, the regulator can have involvement in a number of different ways. Firstly, they are responsible for establishing the standards for assessment of organisations, i.e. the certification or inspection standards. These standards are often referred to in legislation or other government documentation. They may be national or international standards, design rules etc, or they could be standards prepared by the regulator for a specific program.

Regulators can also be involved in the accreditation audit, either as an audit team member or as a technical specialist. JAS-ANZ often utilises technical specialists provided by regulators to assist JAS-ANZ staff auditors who are well versed in the accreditation requirements.

The membership of the JAS-ANZ Accreditation Review Board (ARB) consists of technical specialists in various disciplines relative to the accreditation programs provided. Regulatory technical specialists participate on the ARB. The prime role of the ARB is to make the accreditation decision, based on a review of audit documentation.

Additionally, the JAS-ANZ Technical Advisory Council (TAC) membership includes regulatory representation. The regulator can therefore choose the level and extent of involvement that they consider necessary to give them the confidence in the accreditation program. Or they may choose to remain at arms length. The decision lies with the regulator.

JAS-ANZ will continue to explore with and provide Australian and New Zealand regulators accredited certification and inspection options to support regulatory compliance assessment activities.

HKAS News

Appointment of New Executive Administrator

Upon the retirement of Dr. L.H. Ng on 4 March 2004, Mr. Terence S.S. Chan has assumed the position of Executive Administrator (Acting) of HKAS. Mr. Chan has been involved in accreditation since 1989 and is an active member of APLAC and ILAC activities.

Mr. Chan in his new capacity will also be responsible for the administration of the Product Standards Information Bureau (PSIB), and this responsibility will not affect the accreditation operation of HKAS. Both HKAS and PSIB are part of the Innovation and Technology Commission of the Government of the Hong Kong Special Administrative Region of China.

The position of the Deputy Head of HKAS has been vacant since 1 December 2003, upon the retirement of Mr. A. J. Rocha, the former Assistant Commissioner for Innovation and Technology (Quality Service). The Commissioner for Innovation and Technology remains as the Head of HKAS.

JAB Japan

JAB Celebrates its 10th Anniversary

JAB celebrated its 10th anniversary on November 1, 2003. Looking back, JAB reconfirmed its vital role in the development and enhancement of accreditation programs for Conformity Assessment Bodies (CABs), users of CABs, and the general public in Japan. The number of JAB accredited organizations has steadily increased, including accreditation of registration bodies for quality management systems and environmental management systems, as well as accreditation of testing and calibration laboratories. Conformity assessment schemes, which started ten years ago in Japan, have, however, not yet gained full understanding and acceptance. JAB will continue its endeavors to disseminate information as often as possible. These efforts will also be directed towards global acceptance of PAC activities in collaboration with other PAC members. With these objectives in mind, JAB is moving forward confidently to the next ten years.

In commemoration of its 10th anniversary, JAB held a symposium. The symposium took place in October 2003 and was entitled: Resurgence of "Made in Japan" – Beat the Competition with ISO Standards.

The public broadcaster, Japan Broadcasting Corporation (NHK), broadcast this symposium nationwide.

The Symposium being broadcast by NHK



CNAB Chinese Taipei

The Establishment and Development of the Taiwan Accreditation Foundation.

Since 1990, the Ministry of Economic Affairs (MOEA) has promoted and implemented the Chinese National Laboratory Accreditation (CNLA) Scheme. Presently, the CNLA is a formally recognized member of the Asia Pacific Laboratory Accreditation Cooperation (APLAC) and International Laboratory Accreditation Cooperation (ILAC). The CNLA is also a signatory to the Asia Pacific Laboratory Accreditation Cooperation, Mutual Recognition Arrangement (APLAC MRA) as well as the International Laboratory Accreditation Cooperation, Mutual Recognition Arrangement (ILAC MRA).

In 1997, the MOEA set up the Chinese National Accreditation Board (CNAB) to carry out the accreditation of management systems and products as well as auditor certification organizations and training organizations. The CNAB is a member of PAC, IAF and IATCA. It is also a signatory to the PAC MLA for QMS and the IAF MLA for QMS.

Although the CNLA and CNAB have laid a solid foundation for the development of an accreditation scheme, further development was limited by current operations. Thus the idea for developing and establishing an independent accreditation foundation was conceived, and the Taiwan Accreditation Foundation (TAF) was established.

The TAF is integrating the operations of the CNLA and CNAB with the purpose of providing independent, third party accreditation services that meet the economic and social development needs of fairness, objectivity and independence while also meeting international regulations. The scope of its services will include the accreditation of management system certification organizations; the accreditation of product certification organizations; the accreditation of auditor certification organizations; the accreditation of auditor training organizations; the accreditation of inspection organizations; the accreditation of laboratories; proficiency testing; future advanced accreditation development; international affairs; personnel training and promotion; and other accreditation related services.

The TAF will operate in accordance with international norms, taking advantage of the accumulated successes of the CNLA and CNAB during their many years of operation. It will help government agencies and the industrial sector to make use of the Foundation's accreditation services as well as the international MLA and MRA schemes to reduce redundant financial and human resource investments.

Aside from continuing to provide conformity assessment accreditation services in accordance with international standards, the TAF's long-term objectives in Taiwan also include intensifying communications and coordination between conformity assessment groups, helping to set up conformity assessment organizations, and creating an overall healthy environment for conformity assessment. Internationally, the TAF will continue to participate and contribute to the international community. It will gradually transform from being a beneficiary to being a contributor by actively working to become an important member of the international conformity assessment community.

STAMEQ Vietnam

Report on Certification Activities in Vietnam

The certification activities in Vietnam only surfaced in 1996. Over nearly ten years since then, this activities have developed exponentially. Now about 1500 Vietnam businesses and organisations have received certifications. Most of them are ISO 9000 certification (about 40 of ISO 14000 certificates). And more attention is being made to the public services. However the potential for this market is still high due to the certified organizations only account for a small number of the total of 130 000 businesses in Vietnam.

Currently, about 20 certification bodies are operating its activities in Vietnam of which only one is the local. However the local is the leading certification body in Vietnam accounting for about 40% of the certificates and it is the only CB providing product certificates.

For the foreign certification bodies, all the big names can be seen here in Vietnam such as BVQI; DNV; SGS etc. Unlike the way of doing business in other countries, the way foreign certification bodies operating in Vietnam deserves a notice. Until recently, not many CBs registered locally for its certification activities (only 3 to 4 of 20). The foreign certification bodies in Vietnam can be classified as the following groups:

- The certification body registered itself to operate in Vietnam eg Quacert (the local); TUV Rheinland Vietnam;
- The certification bodies operate in Vietnam through its representatives eg TUV Nord
- The certification bodies operate in Vietnam through its local partner; eg Glocal
- The certification bodies just “go in” for individual certifications, eg PSB; BM Trada;

Except for Quacert and TUV Rheinland Vietnam have been directly accredited with the Quacert been accredited by JAS-ANZ and TUV Rheinland by Vietnam Accreditation Body (VICAS scheme) the others though also have claimed the accreditation status but get the cautious from the local. Of the CBs who have not registered locally all of the audit activities are operated locally. The concerns have raised are whether those activities of certification audits in Vietnam properly monitored by overseas accreditation bodies or even whether those activities in Vietnam are within the scope of the accreditation granted to the parent CBs.

The certification market at the moment in Vietnam is very competitive. There are some complaints of certification bodies themselves on the unfair practice of competition from other CBs. Also there are the public concerns over the capabilities and integrity of the CBs activities over time. Some of the concerns can be summarised as follows:

- Due to the aggressive competition every CBs have to lure the customers with the low cost of certification and some says it can affect the sustainable development of the CBs as affecting the training and recruiting of their auditors.

- Many CBs have not provided enough audit time (man-day) as suggested by the IAF Guidance
- Because of the lack of the auditors from CBs, in many cases the auditors are assigned not suitable with the SIC codes. And many of the CBs auditors lack the technical experience
- The widespread misleading of advertisement from organisations granted ISO 9000 certificates such as certificate logos attached to products or product packages or the advertisement giving impression that ISO 9000 certificate are product certification and product guarantees, but not be properly monitored by CBs who granted the certificates.
- The consultants give pressure to CB to follow its client's unreasonable demands (otherwise they choose the other CB) and in many cases the CBs bend to consultants' pressures.

The situation regarding certification activities in Vietnam is alarming, prompting the Vietnam authorities to consider suitable measures to tackle some problems as suggested. However what the specific response from the Vietnam authorities to the CBs is, has not been finalized.

ema Mexico

During the ILAC Executive Committee Meeting, held in Mexico on 18 February, an award for Innovation and Quality was granted to 8 governmental departments for the development of innovating schemes to improve the quality of their services to users. The Mexican Government Ministers of Commerce, Health, Communications, Labour, Agriculture, Social Development and Defence, as well as representatives from Industry and Commerce attended the ceremony.

An agreement between ema and the Government was signed during the event, as evidence of the commitment of the Mexican Governmental Laboratories to achieve ema accreditation with ISO 17025 in the next three years. The witnesses were the Mexican President, Mr Vicente Fox Quezada, and the ILAC Chair Mr. Mike Peet.

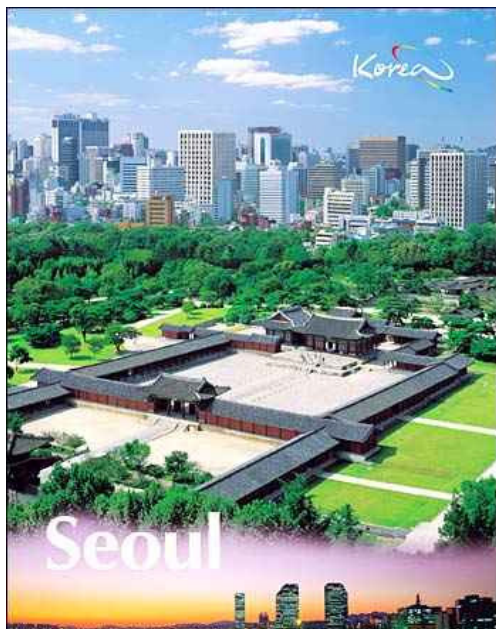
At present ema has accredited more than 100 governmental test and calibration laboratories, mainly in the environmental, electric and agriculture sector.

This is a very important achievement for ema because it is a meaningful recognition by the regulators of ema's activities in Mexico

At Right: Mr Scheifer (Chair of ema), Mr Ramon Munoz, (Innovation Office Chief) and Mr Vicente Fox Quezada (President of Mexico) at the signing



11th PAC PLENARY MEETING – JULY 2004



The 11th PAC Plenary Meeting will be held in the Hotel Capital, Seoul, Korea from Monday 5 to Friday 9 July 2004, hosted by KAB. PAC members and other interested parties are invited to attend.

Registration fees for the meeting will be:

PAC Head of Delegation – no charge
Other members and interested persons \$US 350.

The registration fee includes meeting papers, morning tea, lunch and afternoon tea at all meetings you attend, welcome and farewell cocktail parties and the official dinner.

A City Tour has been organised for Saturday 10 July, for those who wish to stay on and enjoy some of the sights this dynamic city has to offer.

Registration forms for the meeting will be distributed shortly by the PAC Secretariat and will also be posted to the PAC website.

DRAFT PROGRAM

Day / Date	Event
Monday 5 July 2004	Registration MLA Management Committee Meeting
Tuesday 6 July 2004	Executive Committee Meeting Experienced Peer Evaluators' Workshop Welcome Party
Wednesday 7 July 2004	Promotions Committee Meeting Developing Programs Committee Meeting MLA Group Meeting
Thursday 8 July 2004	Technical Committee Meeting Official Dinner and MLA Signing Ceremony
Friday 9 July 2004	Plenary Meeting Executive Committee Meeting Peer Evaluators' Workshop for Trainees and Team Members Farewell Dinner
Saturday 10 July 2004	City Tour - Secret Garden, old palace, museum, etc

HAVE CHECKLIST, MUST TRAVEL!!

The Adventures of an International Peer Evaluator by Joan Brough-Kerrebyn, SCC

“What kind of work do you do that has you traveling half way around the world?” A routine question asked by travelers sitting next to each other on *long haul* flights. An easy question to ask, but it's a bit more difficult to answer when you are a *peer evaluator*.

Peer evaluation is a job you will never hear about in the career section of the popular press. While it is an obscure and specialized function, it is also one with a far-reaching impact on international efforts to promote global trade. Peer evaluators from the Standards Council of Canada (SCC) much like their colleagues in other accreditation bodies around the world utilize a process that enables the worldwide recognition of registration and certification certificates. The work is very exacting with knowledge and experience requirements that make the fifty or so people who do it a close-knit group. We know each other fairly well but we rarely see each other in familiar surroundings. Instead we meet up in foreign locations to form teams that visit and evaluate another economies' accreditation body (AB).

In reality, being part of a peer evaluation team is long hard work, performed in a strange environment under time and performance stresses, while still recovering from jetlag. What is accomplished, however, is very important to the AB being visited. The team's findings will influence the future design and delivery of the AB's services. The resulting evaluation report will provide the evidence that global associations of ABs, such as the IAF and ILAC can have confidence in the services of the AB. Without this formal acknowledgement, the AB clients—the registration/ certification bodies or laboratories the AB has accredited—cannot obtain the global acceptance they seek to have the certificates they issue accepted by buyers in non-domestic markets. SCC has been a leader in contributing staff to carry out these evaluations as part of their commitment to support international multilateral recognition arrangements (MRAs). It's these arrangements that provide the foundation for recognition of certificates by the members of these international associations. (Try explaining all this to a stranger seated next to you on a plane.)

A typical evaluation visit begins with a Sunday evening meeting following the arrival of the two to five team members from their separate corners of the world. Before this meeting there has already been a week or so of work expended, on reviewing documents against requirements, as well as communicating with the applicant AB to clarify information and finalize the logistics of the visit. The Sunday meeting, chaired by the team leader, is intended to bring all the team members up to speed on their roles and, to explore initial impressions of the organization being evaluated. Formal introductions are initiated at an opening meeting held Monday. On average, a week is spent at the AB. Two days are used to evaluate the office operations and procedures.

The rest of the week is used to actually witness the AB assessing a client in order to observe the performance of their assessors and the implementation of their assessment procedures. In between these activities, the evaluation team meets frequently, usually in the evening back at the hotel, to compare notes and to ensure that all the requirements are covered. By mid-week the team leader starts putting together a written report incorporating input from the team into a single document that outlines what findings the AB should address, as well as its key strengths and weaknesses. The visit ends with a closing team meeting to discuss the report and ensure that the issues are well understood and agreed upon.

The evaluation team's work, however, does not end upon their departure from the AB. The AB is required to respond and address the evaluation findings in order to improve their program operations and be in conformance with the requirements. The team then reviews the AB's response to ensure that the issues have been adequately addressed and in a few cases a member of the evaluation team may be required to revisit the AB to confirm implementation and effectiveness. Add to this the administrative and approval process for the MRA, and you are looking at 6 to 10 months before the recognition becomes reality.

These procedures are relatively straightforward but in practice no two evaluations are identical. The whole experience is an exciting exercise in diplomatic adaptation and quick thinking.

While the evaluation process involves established international requirements, no two ABs implement them in an identical manner. The key is to evaluate the "equivalence" of the results and to avoid comparing what the AB does directly with what happens in your own office. Every AB operates in a different market and culture and this affects how they implement the requirements. For example, in some cultures the practice of formal voting is not something embraced with comfort by committee members as they prefer to seek informal consensus. A requirement for documented voting procedures is problematic to them and even if written is rarely used or avoided. What is also often noticeable is the ratio of resources employed, where labour is relatively less expensive more human resources are used, while an AB in high labor cost regions will depend more on systems aided by technology. Both approaches have their advantages and pitfalls. Experienced team members understand that they must always be open-minded to the implementation of the requirements, focusing on the end results not the means of achieving them. In return for their efforts, evaluation team members broaden their perspective on how to accomplish certain AB functions and usually return home with a few good ideas.

It's the exposure to each other's systems and the opportunity to evaluate against the agreed-upon requirements that cements the process of mutual recognition. By developing a sense of familiarity and sharing ideas, each AB gains comfort with each other and expands the knowledge they need to maintain their programs. What the evaluation team members also often gain from their hard work is a very positive, if not brief, experience with a different culture that develops mutual respect and understanding at the personal level.

I am very often impressed with the efforts expended to facilitate the evaluation teams' welcome and our ability to function. In addition to the actual evaluation, the related logistic arrangements involve significant efforts on the part of the AB's staff. Although the AB staff may be nervous, they are also eager to have your opinions on how they operate. If the evaluation team does their job correctly the AB is more relaxed by the week's end and thankful to be directed to those areas where there may be opportunities for improvement. While the team members have the advantage of viewing the operations as outsiders, everyone gets their turn on the other side of the table —being evaluated by their peers. There exists a sense of community amongst ABs, with a mutual goal of ensuring that the global accreditation system maintains its' integrity and is well respected. As we develop common understanding and expectations through the peer evaluation process, issues such as politics and state affairs rarely factor in, if only all diplomatic exercises could function as well!

Based on the article "Have Checklist Must Travel" published in CONSENSUS Magazine, Volume 30 (Special Edition Autumn 2003); reprinted with permission from the Standards Council of Canada (www.scc.ca).

THE CHANGING FACE OF CERTIFICATION

In this article, Phil Crosby of NCSI reflects on the past decade of management systems certification in Australia, and presents some thoughts for the future.

If, like me, you have been associated with management systems certification for some period of time, you would be aware that our outwardly conservative industry is no stranger to change. In fact, given the mutual dependency between certification bodies and the organisations that they serve, keeping pace with business drivers is critical for success. But what change has really occurred? Was it customer driven? And where has it left us in 2003?

In the beginning.....

Well, not quite the beginning, but looking back, the early 1990s in Australia saw the real rise in demand for Quality Management Systems certification, this being delivered against the AS/NZS 3900 suite of Standards, the precursors to the ISO 9000 series.

For me, joining the relatively new QMS certification department of a distinguished assessment body in 1993 was akin to joining an institution. The certification community consisted largely of two nationally accredited bodies, (Standards Australia and NATA) which together held the bulk of the fledging market. These bodies were complemented by "internationals" such as Lloyds, SGS, and DNV who provided some market choice, and held similar status. Assessors (before they were badged with the "auditor" label) tended to be drawn from engineering, defence, and government circles, earning them the somewhat staid reputation that tends to persist today.

And *everyone* was busy. Auditors took the concentrated 5-day Lead Assessor course followed by a heady round of document reviews and client audits before achieving the coveted Quality Society of Australasia (QSA) certification that equated to a 'ticket to practice'. State Governments widely "encouraged" quality certification, and both audit bodies and clients publicly celebrated each new certification awarded.

By 1995, many small private certification companies had been accredited by JAS-ANZ, stimulating more choice, audit styles and fee structures. This was of special interest to the small business sector, which was now under pressure to adopt certification through the supply chain drivers. This period saw the first signs of price competition between certifiers, although with plenty of organisations seeking certification, no one was worried. There appeared room for all. This period may have seen the first instances when audit diligence was compromised in favour of price – a move that has had repercussions to this day.

The changing landscape...

The mid-90s Keene enquiry into the technical infrastructure of Australia produced several key recommendations. Standards Australia and NATA were each obliged to detach their certification enterprises into separate entities, and in 1997 NATA formed NCS International, and SA formed QAS.

Diversification was happening in other ways too. The release of the ISO 14001 Standard saw the launch of environmental certification and the main players quickly developed the capability to match growing market demand, sensibly drawing on external specialists to support environmental audit teams. Other programs followed such as QS9000 for automotive suppliers, paving the way for more Codes and Standards tailored for individual industry sectors.

Meanwhile, certification figures for the ISO 9000 Quality Standard had started to plateau. Gone were the halcyon days of "collecting" clients as fast as they could be certified. And while certification was not yet seen as a commodity, new clients were becoming more cautious in selecting their certification body, requesting detailed presentations and basing their decision largely on relationships, price, and in some cases, the logo.

Into the Fray...

By the turn of the new century, the certification industry had reached a level of maturity. Although market shares had stabilised with NCS International and QAS dominating with almost 80% of the Australian certification market, the size of the "pie" (and the number of certification bodies) had not changed significantly for some time.

In a positive response, most of the larger bodies had branched out by offering a range of certification services, often expanding into the developing markets of Asia. Some certifiers successfully launched new, often unaccredited, programs such as HACCP recognition. Others competed to become exclusive licensees of international Standards such as the UK derived 'Investors in People' program offered by NCS International.

Clients continued to shop around, sometimes switching bodies and even choosing different providers for different Standards, thereby exercising market choice ahead of other benefits.

The role of the auditor now changed dramatically, and with it the required skill set. As with many service professions, 'value-adding' developed in importance. Auditors were expected to acquire and display sophisticated business knowledge, and with the launch of the ISO 9001:2000 Standard a whole new approach would be demanded.

However not all client organisations embraced the change so easily. What many auditors found in practice was a client somewhat mystified by the "new" approach and, far from wanting an MBA type business review, simply wanted things the way they were, hopefully at reduced cost. Many clients began to question what benefits were being delivered by certification, and new applicant numbers only just replaced those withdrawing.

Many auditors found the going tough and either left for an easier life, or were eased out to an early retirement. Others, of course, relished this broadening of role and found the new approach refreshing and professionally rewarding, particularly when working with industry leaders that took advantage of the new ISO 9000:2000 approach and the advantages of a more holistic external assessment.

The Australian based certification bodies reacted to these challenges in different ways. Some regrouped, rehired, and cut costs. Others focussed on developing an international client base with mixed success. One or two smaller bodies were absorbed by others, and so was the Australian Quality Council. QSA responded by re-thinking their mission, and focussing on industry engagement as the single most important issue for the future.

Australian industry was now spoilt by choice. Nowadays, enterprises can select from around 15 local certifiers, many of which offered multiple accredited programs (Quality, Safety, Environment, etc), and are now commonly offering flexible pricing structures to win clients. These changes have resulted in tangible efficiencies in delivery of certification and although the major players have strived to maintain credible audit teams and programs, the market is clearly tempted by cheaper audits despite the inherent risks.

Looking ahead...

So, where has this journey left us today? And what of the future?

There is still a solid market demand for certification in Australia, and those organisations continuing or starting with third party recognition are clearly the true believers that are really gaining something from their systems. But we must accept that, although the "value-adding" mantra was not for everyone, and truly integrated systems have yet to materialise, our clients **do** expect a different approach from the 1990's model, and this is largely being delivered.

It seems likely that simple audits against individual Standards will continue to decline in favour of more holistic business audits that may range across a number of Codes and Standards for any given organisation. The leading certifiers are already testing traditional boundaries by offering market choice in Product Certification, and Laboratory Recognition. The application of JAS-ANZ accreditation – never really widely known or appreciated by the market – is likely to decline for the second-party audit market, but possibly grow in newer areas if supported by a public awareness campaign.

The challenge remaining for many auditors will be to develop the skills to effectively deliver this matrix of services. It may well be that a change of emphasis to thorough competency testing processes would be a useful direction to take.

Today, both certifiers and JAS-ANZ have learnt to accept and work with the inevitable blurring that exists between pure audit relationships, and training and management systems advice. Clients have never appeared to wrestle with this issue, and are delighted when all three aspects are delivered with an appropriate level of separation, professionalism and ethics.

QSA continues to rise in status to meet auditor certification needs, as well as provide forums for the certification community. The views of our original Australian quality “gurus” such as Alex Ezrakovich and Garry Ferris have kept pace with changing industry needs, and they remain sensible voices among calls for radical change or complex reform.

The high status of Australian certification held in Asian countries means that international recognition will become increasingly important. The largest Australian certifiers such as SAI Global and NCS International are already responding by again associating their brands with the value inherent in their parent organisation names, and by ensuring that corners are not cut when offering services overseas.

But being an Australian market leader has its obligations as well. NCS International (much like its parent NATA) recognises that it bears a major responsibility for operating a credible and viable recognition service in order for Australian industry to meet local and world trade requirements.

In choosing a major Australian certifier, clients indicate their support of, and trust in, such providers. Certification is then seen not as a commodity, but an earned qualification. In return, these certification bodies recognise their special obligation to resource and deliver their core programs for the very long term.

But this should never mean that certifiers become in any way complacent, or take their client’s business for granted. In fact, it should inspire us to deliver the very best levels of service at a price that represents good value to our customers and a fair return to us. Ultimately, it will be government and business leadership that sustains demand, and our client managers and auditors who fulfil that demand.

A Final Word...

If certifiers, and their auditors, take up the opportunities provided by new generation Standards such as ISO 9001:2000, and recognise that it is the business that is being certified, and not just the system, then certification will continue to be important, relevant, and needed for years to come.

I have no doubt this will happen, and that we have a bright future ahead.

(The views and experiences expressed in this article are of the author alone. Phil Crosby is the Business Manager, and a Senior Quality and Environmental Auditor with NCS International Pty Ltd)

IATCA – Confronting Challenge and Opportunity

IATCA is an international association with members drawn from personnel certification bodies and certifiers of training providers, which was formed to establish internationally agreed criteria specific to the certification of management system auditors. Similar to PAC, EA, IAF and related international bodies, IATCA relies solely on the engagement and contribution of its members to underpin the performance of the organisation.

From its inception more than a decade ago, IATCA has strived to establish and sustain value for its members, an increasingly difficult undertaking.

Today, the value of IATCA, as it is with any organisation or business, is measured in its ability to achieve tangible outcomes. The 'outcome' must be relevant and add measurable value to the member's business plan, either directly in terms of enhanced recognition, marketing and service profile, or indirectly via the engagement of local and international markets and regulatory bodies.

IATCA recognises that the market for third party auditor certification in many regions around the world is declining as a result of a loss of confidence in the ability of third party management system auditing to add value.

Cognizant of the need to achieve the market's expectations, the members of IATCA have accepted the Board of Director's recommendation of the need for change. The 2003 Plenary and AGM in Chicago last year resolved to review the constitution, structure and the future development of personnel certification schemes to achieve two primary objectives; the engagement and integration of ISO/IEC17024:2003, and membership of IAF.

This was a very strong and positive statement from the IATCA membership concerning the future viability of the Association.

17024 will demand change to the design and development of IATCA criteria and the MLA peer evaluation process. Currently, IATCA criteria rely primarily on a prescriptive approach to achieve conformity and consistency in auditing outcomes. 17024 will demand a sharper focus on the definition and examination of competence. Essentially, IATCA will need to confront the challenge of defining, measuring and examining a range of competency profiles involving; knowledge, skill, experience and personal attributes, specific to each Scheme. For IATCA certified training providers this will demand a transition from a prescriptive, 'body of knowledge' based training methodologies to a competency based training model where the outcome, and not the training, is the key consideration.

IATCA's membership of IAF is an objective that should have been realised years ago. The days of each organisation working in isolation; one working on improving the performance of the auditor, the other the accreditation process leading to improved management system certification, are drawing to a close. The market is clearly focussed on business improvement, not simply compliance to a Standard. This is where the performance of the auditor and the management system converge, both equally important to the achievement and improvement of business outcomes.

Membership of IAF will provide IATCA with the opportunity to participate within the IAF technical committee and working group structure, adding value and integration of those considerations that impact on auditing and related activities, and ensuring that IAF guidance and related documents reflect the inclusive requirements for auditor competence.

Change for IATCA will be difficult process, though within the capability of its membership. A Scheme Committee – Transition was established in December 2003 with the aim of developing a plan of action to enable IATCA to achieve the above objectives within a 2004 timeframe. The Committee will convene in Athens late February to commence the planning process.

One could argue that by any measure, IATCA is confronting a considerable challenge! A challenge that will define IATCA's future and open up new opportunities in personnel certification.


















IATCA has clearly accepted the need for change....something that every organisation within our industry may need to consider?

Michael K. Carmody
Chairman IATCA Board of Directors and
Director and Chief Executive Officer QSA International

For further information please contact the IATCA Secretariat at iatca@iatca.com

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The Pacific Accreditation Cooperation (PAC) is an association of accreditation bodies and other interested parties whose objective is to facilitate trade and commerce among economies in the Asia Pacific region.

Its ultimate objective is the creation of a global system that grants international recognition of certification or registration of management systems, products, services, personnel and other programmes of conformity assessment.

The PAC promotes the international acceptance of accreditations granted by its accreditation body members, based on the equivalence of their accreditation programmes.

The PAC operates within the framework of the International Accreditation Forum (IAF) and in cooperation with other regional groups of accreditation bodies around the world.

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