



International Organization for Standardization



International Accreditation Forum

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Accreditation Auditing Practices Group **Guidance on:**

Control of CABs' foreign or remote locations

Introduction

Accreditation Bodies (ABs) should ensure that Conformity Assessment Bodies (CABs) that have foreign or remote operations (e.g. agents/franchisees/branches etc.) address the issues identified in this paper. The text below describes the practices to be used by ABs to satisfy the integrity, impartiality and technical competence of those foreign/remote operations.

Locations

Any foreign/remote operation which contributes activities towards certification decisions is liable for some assessment and surveillance activity. When a CAB decides to open a new foreign/remote operation, the appropriate risk assessment should be undertaken.

The risks should be considered with regard to impartiality, independence, financial issues, levels of corruption in the country where the CAB is planning to start their operation, etc. (The **Transparency International** website.

<http://www.transparency.org/> provides useful information on such risks)

CABS are expected to follow the good practices identified below.

Prior to making the decision to open or acquire a new foreign/remote operation, representatives of the CAB should visit the country and location where the proposed operation will be (or already is) situated in order to understand the local operating conditions. A desk review of websites, local media and any other related information can help give an advanced indication of the reputation of the area.

The CAB needs to be aware of the local regulatory requirements in the country of the new operation, and in some cases it may be necessary to obtain approval from the local authorities prior to opening it. The level of control exerted by “local authorities” may vary from merely requiring the CAB to inform the local Regulator or Accreditation Body, to requiring a complete assessment of the operation’s activities.

The foreign/remote operations may be within the same national jurisdiction or they may include foreign locations that are located outside the national jurisdiction in which the accredited body is registered as a legal entity. The following are typical types of locations:

- A wholly owned regional subsidiary which controls and manages a number of subsidiaries,
- A wholly owned subsidiary or branch of the CAB, either in its own country or in another country,
- A joint venture company, in which the CAB is a partner and maintains majority shares.
- A wholly owned subsidiary of a joint venture company
- An agency of the CAB or of a wholly owned subsidiary of the CAB or of a joint venture company
- A franchisee of the CAB or of a wholly owned subsidiary of the CAB or of a joint venture company
- A subcontractor of the CAB of a wholly owned subsidiary of the CAB or of a joint venture company
- A sales office of the CAB or of a wholly owned subsidiary of the CAB or of a joint venture company

Commissioning of a new foreign/remote operation

When the decision is made to establish a new operation, the CAB should ensure that effective training in all the CAB's processes, procedures and practices is delivered to the staff of the new location. It is advisable to bring key personnel from the new operation to the Head Office of the CAB for extensive training and coaching. This should include witnessing and conducting of audits under supervision and in-office training.

Similarly, representatives from the Head Office (HO) should visit any new operation and conduct on-site training – including witnessing and evaluation of local auditors and other related personnel. During an initial period of time (the duration of which should be determined on the basis of the operation's processes and associated risks), the performance of the new operation should be closely monitored and additional internal audits should be performed.

Processes

The CAB should have clearly decided which processes will be managed centrally from the Head Office or Regional Office(s) versus the processes that are to be conducted and controlled locally. There are also processes which can be managed remotely and evidence of their implementation may be reviewed electronically using webinars or teleconferencing facilities.

It is important for an AB to review the status of the CAB's activities and understand how the requirements of the relevant Scheme/Standard have been established and met. Particular attention should be given to the identification of key performance indicators, processes, objectives and operation of the CAB's management system.

Differing processes and activities may be carried out at the various locations of the CAB's operations and with different levels of controls, e.g.:

- Auditing activities are performed, but there is no involvement by the particular operation in decisions concerning the awarding of certificates, and no independent awarding of certificates. . In contrast, other operations may be mature enough to be permitted to make certification decisions and award certificates.
- Outputs are managed and approved remotely by the Head Office or Regional Office, versus being totally controlled locally
- Staff competency is approved locally versus centrally
- Staff training is conducted locally versus centrally
- Records are available remotely versus purely locally
- Records are maintained locally versus centrally.
- Procedures and policies are developed locally versus centrally.
- Impartiality is managed by the operation itself versus centrally

Data Recording

It is the responsibility of a CAB to ensure that information given to its Accreditation Body is accurate and up-to-date.

The following data should be provided:

- Types of operations (e.g. agents/franchisees/branches etc.) and their locations
- Schemes delivered from the individual operations
- Accreditations held – including foreign and local
- Local Regulator's approvals held
- Number of full-time and part-time auditors at every location

Approach for Assessment

The approach ABs should use in assessing CABs should be based on the good practices identified in the previous section, including identification of the key processes related to the CABs activities and on their proper management and control. The ultimate objective of the CABs' processes is to achieve consistent attestation of the conformity of their clients management systems to the applicable requirements. The ABs' assessors should never lose sight of this overall objective.

ABs should conduct analyses of CABs activities at each of their foreign/remote operations and of the levels of control exercised by the CABs, in order to determine the types of surveillance required. The surveillance can include visits to the offices, remote interviewing of the staff and auditors, extra witnessing, special audits, etc. In the event of poor performance by a CAB (which can be triggered e.g. by complaints from local ABs, poorly maintained records, non-effective training and evaluation of local staff, etc.) an AB may need to change the surveillance regime, e.g. by making additional special visits

The wider exposure of an AB's assessors to a CAB should raise the awareness and understanding of the CAB's personal of accreditation requirements and their benefits for the CAB.

AB assessors should record the following:

- CAB KPIs
- Evidence of meeting these KPIs
- Inputs and outputs of processes

AB assessors should be able to judge the effectiveness of a CAB's management system by evaluating the outputs from its processes.

The following should be considered for the operations of a CAB and should be examined in relation to its impartiality from financial sources.

- Auditor utilization, i.e. the number of auditor days / year for all auditors
- Number of new clients versus clients leaving, and in relation to specific certification programmes
- Number of certificates suspended / withdrawn
- Witnessing of audits by CABs when used to promote auditors as team leaders
- Results of client satisfaction surveys
- Allocation of appropriate time for audit planning and preparation
- Training budget
- Time allocated to training (Auditor training auditor days)
- Have all relevant staff been trained?
- Financial perspectives , e.g. Turnover, profit ratios, profit margins, revenue growth, client base growth, price trends
- Market share (including forecasts for resources, technical capabilities etc.)
- Overdue audits
- The frequency of visits versus what was scheduled
- Have complaints been monitored and target times set for their resolution

The following organizational and structural issues should also be examined:

- Are the financial resources of a CAB as transparent as could be reasonably expected, and have appropriate Professional Indemnity and Product
- Liability insurances been acquired
- Are all the locations, branches and subcontractors covered appropriately by such financial resources and insurances.

For further information on the Accreditation Auditing Practices Group, please refer to the paper: *Introduction to the Accreditation Auditing Practices Group*.

Feedback from users will be used by the *Accreditation Auditing Practices Group* to determine whether additional guidance documents should be developed, or if these current ones should be revised.

Comments on the papers or presentations can be sent to the following email address: charles.corrie@bsigroup.com .

The other Accreditation Auditing Practices Group papers and presentations may be

downloaded from the web sites:

www.iaf.nu

www.iso.org/tc176/ISO9001AuditingPracticesGroup

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