The auditor's tale: conformity assessment as seen by a practicioner

The following article represents one of the very few occasions that an experienced auditor of ISO management systems has delivered a public critique of conformity assessment as it is practised. Emphasizing that this article presents his personal views, Fraser Paterson is both critical and constructive. While offering solutions to some of the challenges which he identifies, he concludes that "the more serious problems will need to be dealt with collectively... but it remains to be seen whether we have the collective will to achieve higher standards".

The conformity assessment market of the United Kingdom is arguably the most mature in the world. The online *Directory of Accredited Third Party Certification Bodies* which can be consulted on the Web site of the national accreditation service, UKAS (**www.ukas.com**), lists 79 certification bodies (as of 7 February 2002) capable of undertaking quality or environmental management system registration audits.

Some work internationally across a wide range of industrial and commercial sectors whilst others are restricted to a more modest field of activity, such as a single industrial sector, or serve a limited client base. UKAS has also accredited a number of overseas-based organizations, although they are unlikely to conduct many assessments in Britain.

In general, the accredited certification bodies do provide a satisfactory level of service to client organizations and other stakeholders in what can be a difficult and demanding activity. Certification to an ISO management system standard (MSS) is widely recognized in the business-to-business market-place and, increasingly, also by consumers. Despite this, user and
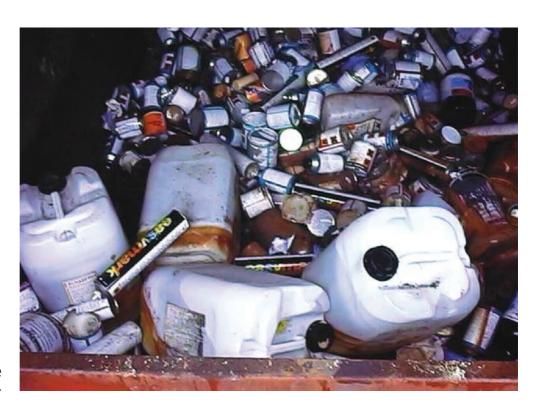
BY **FRASER PATERSON**

Fraser Paterson is Principal Corporate Social Responsibility Specialist within the United Kingdom's Scott Wilson's expanding Sustainability Group.

He has extensive worldwide consultancy and training experience in quality, environmental and integrated management systems and business improvement. The author is an IRCA-approved EMS Lead Auditor and tutors both quality and environmental audit training courses, but in recent years has been increasingly involved in social and ethical consultancy and international supply chain audits.

even public perception of the ISO "brand" is still mixed. (ISO MSS certification is so strongly identified with ISO that use of the word "brand" in this context is surely justified – while the inverted commas are a reminder that such certification is carried out independently of ISO, which does not itself audit or certify to its standards, nor control the bodies that do so.)

Not all "certification bodies" are officially sanctioned by UKAS and, unfortunately, a small number of such enterprises are involved in the disreputable practices to which ISO's late Secretary-General drew attention (see March-April 2002 edition of *ISO Management Systems*), e.g. supplying the management system along with the certificate!

Can each certification body be policed effectively?

Fraser Paterson, Principal CSR Specialist, Scott Wilson, 16 Priestgate, Peterborough PE1 1JA, Cambridgeshire, United Kingdom.

Tel.   + 44 (0)1733 896655.
Fax   + 44 (0)1733 896656.
Email fraser.paterson@ scottwilson.com
Web   www.scottwilson.com

One bad apple can spoil the whole barrel.

In addition, the initial concentration by companies, consultants and assessors on system documentation in the 1980's and early 1990's resulted in quality management systems in particular being regarded as bureaucratic and ineffective. Indeed, many organizations sought certification because it was the thing to do and they only did the minimum needed to pass and maintain registration. This lowest common denominator approach to certification has persisted so that opinion is still divided as to the real value of ISO MSS registration. Similar negative opinions are held in other countries throughout the world.

ISO is now contemplating a Corporate Social Responsibility (CSR) standard to address growing consumer concerns with burning issues in the supply chain such as employee welfare, ethical trading and business integrity (see the CSR Forum on the ISO Web site – **www.iso.org**). How will the conformity assessment market perform in this rapidly evolving discipline and criti-

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cally important area for business? Is the integrity of the various national accreditation and conformity assessment processes sufficiently robust to withstand increased scrutiny?

In light of these concerns, there are a number of areas to ponder.

Are there too many certification bodies?

It can be argued that there is simply too great a choice of certification bodies and, in spite of a few mergers and failures at the national level, market mechanisms have not succeeded in rationalizing the total number of organizations involved.

In the United Kingdom, this is partly due to factors such as the lack of any meaningful organizational or financial minimum criteria for setting up a certification body. Although even the smallest may be perfectly capable of carrying out assignments, what does this proliferation say about the conformity assessment sector in general? And

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In addition to the major international certification bodies that work throughout the world, most countries now have their own national equivalent(s). But are they all necessary? In this age of globalization and normalization, fewer assessment bodies – such as a single pan-European organization for the European Union – could lead to improvements in the consistency and integrity of conformity assessment practice.

Of course, this would be dependent upon the accreditation process in the country of origin being sufficiently robust. Any failure to eradicate disreputable behaviour in the domestic market has ramifications elsewhere. For instance, where the majors seek local approval, how can a national accreditation agency ensure compliance to more strict ethical standards when it is presented with a *fait accompli*?

Yet ISO itself has only limited influence over the national accreditation agencies, the conformity assessment sector and audit practices as a whole. The responsibility for setting standards must therefore rest within national structures and the various multilateral agreements.

Are accreditation processes transparent?

Although certification to an ISO management system standard is universally touted as a statement of integrity, the process of accreditation itself often lacks transparency.

Clouded in mystery and confidentiality, the principle of *caveat emptor* (buyer, beware!) still applies to anyone seeking ISO MSS registration. Unless you are "in the know", it is very difficult to obtain an objective overview of the ability and

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standing of the various certification bodies you could select for a conformity assessment of your management system. How can companies make the right decisions when selecting a certification body?

Accreditation agency Web sites will not necessarily help clarify the choice – e.g. national directories do not always include limitations to scope or even identify which industrial sectors a particular body is approved for. Worse, there is no simple mechanism that can be used to compare the relative methodologies, costs or, perhaps more pertinently, the respective ISO MSS audit pass/failure rates.

Does the accreditation process stand up to ethical scrutiny?

Research can be complex as, although costs are broadly similar, different organizations have totally different approaches to initial and surveillance assessments (multi-site sampling, annual or triennial contracts, etc.). This becomes even more complicated when you move beyond national boundaries and try to compare the major internationals with the local certification bodies.

More importantly perhaps, there are rarely any clear warnings about rogue set-ups and the more disreputable practices! Where warnings exist, they are usually very general in nature and only advise potential purchasers to ensure that they select an accredited assessor.

Should the results of accreditation audits be made public?

If the accreditation process is truly to serve both business and public interests as a whole, why not publish at least a summary of the accreditation audit reports and/or other certification body performance data? Those who run their registration businesses ethically and effectively would have nothing to fear and prospective clients would be able to make a more informed choice.

Only those who fail to meet the required standards need be publicly exposed. There is an established precedent for this – the United Kingdom Environment Agency, Health and Safety Executive and even some government ministers already operate a "name and shame" policy against companies that are prosecuted, or fail to meet societal expectations. Internationally, the Organization for Economic Cooperation and Development (OECD) has a system for identifying businesses participating in bribery and corruption, and the World Bank will blacklist offenders.

Positive action would surely restore public and business confidence in certification to ISO's management system standards – and perhaps something like an on-line "blacklist" could be operated by ISO itself?

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Assessment, training and consultancy = double standards?

Like most commercial undertakings, certification bodies have sought to expand their services by offering a wider range of services, principally in training and consultancy. Of course, there are the usual "Chinese walls" and similar mechanisms to protect the integrity of the ISO MSS conformity assessment business. But are they effective?

This is undoubtedly still a grey area and there are several areas of possible concern:

- Use of certification body logos is often too entrenched within their clients' marketing campaigns and image, increasing the client's dependency on the certification body and the incidence of long-term relationships. Can such "partnerships" maintain objectivity?

- Click on any major certification body's Web site, then look at OHSAS 18001 (not an ISO standard) health and safety registration and see whether they openly offer certification, training and consultancy – doesn't this imply double standards?

- QS 9000 (the motor industry quality standard) accreditation has stricter requirements for certification bodies with regard to training and consultancy than are imposed for accreditation for ISO MSS assessment – yet the same certification bodies are often involved in both schemes.

- Assessors push the certification body's training courses at clients with a clear inference that assessment will be more straightforward. Sometimes, their selling techniques are reported as some-

what "aggressive", leaving client organizations with the firm impression that the assessors receive incentives for the additional services they sell.

- With regards to the provision of training, there is a strong argument that this should be restricted to open or public courses only. Running customized courses for a single organization can border on "consultancy", due to their focus on in-house problems.

There are plenty of approved consultants and training organizations that provide the same products as the certification bodies at the same or more competitive rates. But client companies continue to buy training and other services from certification bodies because they believe that "customer loyalty" will help them pass the subsequent certification audit. Is it any wonder that many still perceive ISO MSS certification as an additional tax, or as the unavoidable cost of entry into a particular market?

There are also a number of areas in which the certification bodies themselves could make some simple changes like the following to improve the way that their services are perceived.

- An obvious shortcoming, but few certification bodies have a published code of ethics, or an integrity statement that covers all their business activities. Even less undertake internal ethical audits to establish whether their policies and claims hold water. Likewise, auditors' codes of conduct are not always made publicly available.

- Audit protocols that add to or refine the practical requirements for the auditee over and above that contained in the ISO standard are often hidden away in internal documents and are not always clearly communicated to the auditee in advance of site vis-

its. Unnecessary client disappointment can result.

- At least one international certification body has conflicting protocol rules for assessing quality and environmental management systems (with regard to specific local policy statements for multi-site clients). Such inexplicable variations only confuse auditees wanting to integrate management systems.

Selecting the certification body can be a difficult choice for many organizations.

What is certain is that certification bodies rarely obtain adequate feedback about the services they provide and so may not be aware of their clients' perceptions. Auditees yield arguments to assessors in order to avoid "rocking the boat" – it is easier to respond positively to an assessor's comments rather than risk a non-compliance note. For the same reason, auditees can also be basically reluctant to raise formal complaints against auditors via certification bodies or the national accreditation agencies. (This contrasts with ISO's initiative in making public its concern about the complaints it receives over dubious practices).

At the same time, certification bodies and their assessors may not always appreciate the power of audit findings. They rarely if ever offer

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direct consultancy advice, but comments and suggestions are frequently seized and acted upon by the auditee, sometimes with unfortunate results. Management systems are frequently amended to comply with what the auditee thinks the assessor wants, not what is necessarily the most appropriate or effective solution for the business.

Of course, this indirect or consequential consultancy is not usually the assessor's or certification body's fault – at the end of the day, the auditee has final responsibility for the management system and any corrective or improvement actions to ensure their adequacy, suitability and effectiveness. But how can we ensure this?

Well, one way might be to bring the ISO/IEC Guides on conformity assessment practices – adopted within the European Union as the EN 45000 series – and the accreditation process into line with the evolution in the focus of the ISO management system standards, i.e. away from the micro-management of conformance and towards the attainment of improved performance levels and beyond. In plain words, the ISO 9001:2000 and ISO 9004:2000 models should be followed, with the necessary adaptions, to facilitate more effective management of the accreditation and certification processes, including better communications with the clients of these processes, better performance monitoring and improved customer satisfaction.

Another interesting idea involves the compulsory change of certification body every few years in order to ensure the objectivity of the process. Rotation of individual auditors is already in use to good effect, e.g. with respect to social and ethical programmes and corporate reports,

and by a number of companies that subcontract out part of their internal quality or environmental management system audits – and this might be a better option than simply changing certification body at every triennial audit. Competition between auditors increases the quality of the process and its output, while the benefits of some familiarity with the client's business are retained. Is this the way forward for conformity assessment?

Conclusions

Although most accredited certification bodies and their assessors already offer a reasonable service, there is much that can be done to improve the mixed public perceptions of conformity assessment to ISO's management system standards.

Individual accreditation agencies and certification bodies can address some of the issues raised in this article, but the more serious problems will need to be dealt with collectively. The lack of a single authoritative body to do this is an obvious hindrance, and simply banning certification bodies from certain commercial activities will be difficult to put into practice. Clearer criteria as to what is ethically acceptable for national and international accreditation would be a real step forward, but it remains to be seen whether we have the collective will to achieve higher standards.

Certainly, should ISO decide to go ahead with a CSR standard, it will only succeed if those involved in its assessment and their audit practices are above reproach.

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