



Specific Criteria for Accreditation
**Position Statement on Independence of Inspection
Bodies**

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AS IB C4

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0 Preamble

ISO/IEC 17020:2012¹ requires all inspection decisions by accredited inspection bodies to be impartial.

ISO/IEC 17020:2012 also includes three independence categories for inspection bodies, Type A, B and C.

Independence and impartiality are different concepts that are closely linked and often confused.

This position statement focusses entirely on the independence aspects of ISO/IEC 17020:2012 and incorporates the internationally agreed interpretations of the standard published by International Laboratory Accreditation Cooperation (ILAC) in ILAC P15². The intent is to set out the aim of independence types and the interpretation of the standard that will be applied by IANZ assessors. This document is intended to help ISO/IEC 17020:2012 clients as well as IANZ assessors.

1 Background

The intent of the three independence types in the standard is to provide a formal mechanism for identifying real, potential and perceived risks to independence, as a support for the overall impartiality of inspection decisions.

The ISO/IEC 17020:2012 requirements for independence type designation are documented in Clause 4.1.6 and Annex A of the standard.

Clause 4.1.6 states:

“The inspection body shall be independent to the extent that is required with regard to the conditions under which it performs its services. Depending on these conditions, it shall meet the minimum requirements stipulated in Annex A, as outlined below.”

This clause means that the conditions under which an inspection body operates may include requirements to conform to Type A, or B or C requirements or may not. The conditions referred to here may be dictated by law (regulations), by national or international standards, by industry consensus (scheme rules), by contracts (client conditions) or by the inspection body's choice.

2 Commentary

Some inspection bodies operate in environments where there is no stipulation that they must be Type A or B or C. This does not mean that an inspection body can ignore the independence type issue. Clause 1, second paragraph, of ISO/IEC 17020:2012 states, “It [ISO/IEC 17020:2012] applies to inspection bodies of type A, B or C, as defined in this International Standard and it applies to any stage of inspection.” This indicates that if an inspection body cannot demonstrate that it meets the independence requirements of Type A or B or C then it cannot claim compliance with the standard and therefore cannot be accredited to the standard.

Before considering the meaning of Annex A it is important to read and understand the ILAC P15 clarification of the meaning of ‘items inspected’. The international consensus is that the term ‘items inspected’ means the *class of items* described in the scope of accreditation of the inspection body, not just the specific member(s) of the class of items that the inspection body inspects.

This is most simply understood by reading the words “items inspected” as “**type** of items inspected”.

2.1 Type A inspection bodies

Type A, third party, inspections are generally stipulated where there is a perceived need for true independence of inspection outcomes and where a high level of confidence is required that vested interests cannot influence the outcomes of inspections. The aim of providing this assurance is expressed in Annex A; A.1(a) which states:

“The inspection body shall be independent of the parties involved.”

Annex A; A.1(b – d)) provides more detail on what is meant by independence.

The first sentence of Annex A A.1(b) states:

*“The inspection body and its personnel **shall not engage in any activities that may conflict** with their independence of judgment and integrity in relation to their inspection activities.”*

The “**shall**” in the sentence makes clear that what follows are requirements not just good practice or guidance.

The words “**any activities**” means that prohibited activities are not confined to the specific activities listed as examples.

The words “**may conflict**” means any activities that could, conceivably, conflict with the independence of judgement or integrity of inspection activities; not just activities that can be shown to have actually affected inspection outcomes. A useful means of looking at what “may conflict” is to consider the point of view of an outsider or competitor looking at the inspection body, rather than assuming that nothing conflicts.

The second sentence of Annex A A.1(b) provides a list of specific activities that a Type A inspection body or its personnel (including contractors) are not allowed to do if they wish to maintain Type A status. These are as follows:

- Designing the type of items they inspect (this includes providing related consultancy services).
- Manufacture of the type of items they inspect (this includes writing or consulting on system documentation as well as the manufacture of physical items or the building of property).
- Supplying the type of items they inspect (this includes selling and acting as an agent for vendors).
- Installing the type of items they inspect (this includes implementation of documented systems, provision of signage etc. as well as physical installations).
- Purchasing the type of items they inspect (this includes purchasing for supply and acting as an agent for purchasers).
- Owning the type of items they inspect (except for personal use or direct use by the inspection body).
- Maintaining the type of items they inspect (this includes contract quality management system functions such as internal auditing, management reviews, training of personnel and management of complaints, as well as management or control of the type of equipment or property inspected).

The list of specifically prohibited activities for Type A inspection bodies, is not comprehensive as it is impossible to know in advance all possible circumstances or business models that may be encountered. The first sentence of Annex A A.1(b) sets out the principles on which judgements should be based.

Note that there are no exceptions to Annex A A.1(b).

Annex A A.1(c) includes restrictions in addition to those in Annex A A.1(b). A Type A inspection body must be able to demonstrate that it is not **part of** a larger organisation that could have any conceivable reason to influence the outcome of specific inspections through engaging in the listed activities.

The text of sub-clause (c) states:

*“An inspection body **shall not be a part** of a legal entity that is engaged in design, manufacture, supply, installation, purchase, ownership, use or maintenance of the [types of] items inspected.”*

A Type A inspection body may be part of a larger organisation but not one that has interests in the type of equipment, property, systems etc. that the inspection body inspects.

Note there are no exceptions to Annex A A.1(c)

Annex A A.1(d) states:

*“The inspection body **shall not be linked** to a separate legal entity engaged in the design, manufacture, supply, installation, purchase, ownership, use or maintenance of the items inspected by the following: “*

The text of sub-clause (d), and its three specific cases, list particular ways in which an inspection body must not be linked to a separate legal entity that could have a vested interest in the outcome of inspections.

In all three cases there are exemption clauses which focus on the ability of persons associated with a related legal entity to influence the outcome of specific inspections. It is the responsibility of the inspection body to provide compelling evidence of the effectiveness of measures taken to make interference with inspection decisions impossible.

ILAC P15 Ab lists 5 specific areas in which influence could be brought to bear. As a minimum the issues listed should be explicitly addressed by the inspection body’s policies and procedures.

An unsupported statement that individuals cannot influence the outcome of inspections will not be accepted.

2.2 Type B inspection bodies

A Type B inspection body is, by definition, part of an organisation that does have an interest in the type of items inspected.

The inspection body, including all of the inspection personnel and management, must be demonstrably independent of the functions and personnel of the parent organisation which could have reason to seek to influence the outcome of inspections.

The same wording of “any activities” and “may conflict” are used and therefore the same rigour must be applied to consideration of possible influences on inspection outcomes in a Type B inspection body as in a Type A inspection body. The same list of specific independence issues applies to Type B inspection bodies as to Type A inspection bodies. It may be more difficult to establish confidence in the independence of a Type B inspection body as it is difficult to identify and control informal routes of influence between individuals within a single organisation. Examples could include situations where personnel move from production to inspection roles or vice versa.

Type B inspection bodies are not allowed to offer inspection services to any organisation except the organisation of which they form a part. However, a Type B inspection body may perform second party inspections. A second party inspection is, by definition, an inspection performed on a supplier by a customer or by a contracted organization on behalf of a customer. A Type B inspection body may perform inspections external to its parent organisation but only on behalf of its parent organisation. A corollary of this is that a Type B inspection body cannot perform second party inspections of its parent company’s products or services on behalf of an external client.

2.3 Type C inspection bodies

A Type C inspection body is, by definition, part of an organisation that does have an interest in the type of items inspected.

The inspection body, including all of the inspection personnel and management, must be demonstrably independent of the functions and personnel of the parent organisation which could have reason to seek to influence the outcome of inspections.

ISO/IEC 17020:2012 Annex A A.3(b) does not allow any individual to be involved in inspection if they are also involved in the design/manufacture/supply/installation/servicing/maintenance and the inspection of the same item (unless there is a regulatory exemption from this requirement).

An inspector in a Type C inspection body may inspect items designed, manufactured, supplied, installed, serviced or maintained by the inspection body’s parent organisation. Type C inspection bodies cannot claim to perform third party independent inspections.

A Type C inspection body will be expected to have effective policies and procedures in place to separate information gained from external clients from interested parties within its parent organisation.

3 Illustrative Examples

Example 1

An organisation wishing to be a **Type A** inspection body to inspect houses, e.g. for weather tightness, methamphetamine or asbestos, cannot have any interest in the properties they inspect OR any other property which could conceivably be in competition with properties in which they hold an interest.

If an inspection body was allowed to inspect properties that were in the same market as properties that the inspection body or its personnel or its associates had an interest in the inspection body could be suspected of biasing inspection results for or against properties depending on the inspection body’s or its associates’ vested interests.

Example 2

An inspection body that wishes to be a Ministry for Primary Industries (MPI) recognised evaluation and/or verification agency is required by regulation to be a Type A inspection body. However; to meet the

requirements of Type A an inspection body that evaluates or verifies Food Control Plans (FCP) cannot be involved in, the design, drafting, sale, implementation, management or maintenance of FCPs, not limited to those they evaluate or verify.

4 References

1. ISO/IEC 17020:2012: *Conformity assessment - Requirements for the operation of various types of bodies performing inspection*
2. ILAC P15:07/2016 *Application of ISO/IEC 17020:2012 for the Accreditation of Inspection Bodies*
3. IANZ AS IB C1 *Specific Criteria for Accreditation of inspection bodies - Application of ISO/IEC 17020:2012*