

THE CONSENSUS VIEW OF SCEG INDUSTRY MEMBERS ON THE ICOCA DRAFT PAPER ON CERTIFICATION

Introduction

1. SCEG welcomes the chance to comment on the draft ICOCA paper on certification circulated at the AGA on 4th December 2014. For background, SCEG informs the ICOCA that the SAG¹ (Standards and Accreditation Group) of SCEG has worked for the last 3 years with the UK National Accreditation Service (UKAS), with Certification Bodies (CBs), ISO experts and with relevant trade associations on establishing clarity and understanding and full understanding of the requirements for companies seeking certification under the PSC1 and ISO PAS 28007/28000 standards, as well as the separate requirements for CBs seeking to be accredited to these standards. This work has covered human rights as well as the other aspects of the standards. During the course of 2014, after rigorous pilot assessments at headquarters and in the field, UKAS accredited two CBs to PSC 1 and three CBs to ISO PAS 28007 in addition to ISO 28000 in two cases (the third CB was already accredited to that Standard). In light of these pilot assessments, UKAS circulated in November 2014 draft Guidance on these Standards designed in particular for CBs. A copy has been sent to the Executive Director of ICOCA. Once the stage of public consultation is completed, the Guidance on the two Standards will be published on the UKAS website and will therefore be available to CBs in all parts of the world.

Expertise on certification

2. SCEG members recognise the expertise of the ICOCA Board on interpretation of the ICOC and human rights. SCEG note that ICOCA has said it does not wish to become a Certification Body and recognise that its Board members are not experts on international management system standards. As SCEG has set out with some clarity and frequently since 2012, industry concerns relate to avoidance of duplication in process and unnecessary cost. We understand the wish of ICOCA to make the Association open to all parts of the world and hence their willingness to consider all standards in keeping with Article 11. There is, however, concern as to potential double standards with Western companies certified to International Standards by accredited CBs, while other companies might submit local standards without any form of independent certification to ICOCA - the point was made at the inaugural meeting of the Association in Geneva.

3. ICOCA refers to using external observers and experts to advise its Board. SCEG would welcome some insight as to who these experts might be? No doubt the Board is in touch with ISO in Geneva? And ICOCA might also wish to talk to the Swiss National Accreditation Service (SAS) which is based in Berne and like UKAS has affiliated status with the International Accreditation Forum (IAF) and is a member of the stringent IAF Multilateral Recognition Arrangements. UKAS (and indeed SAS) are covered by EU Regulation 765/2008 which establishes the European accreditation structure and requires member states to appoint a single national accreditation body and seeks to avoid duplication by ensuring that one accreditation certificate is sufficient to “avoid multiple accreditations which would be added cost without added value”. Another valuable expert contact could be the Swiss company SGS (founded in Geneva) which is one of the world’s largest inspection, verification, testing and certification companies with over 80,000 employees and 1650 offices

¹ The SAG is SCEG’s expert body on certification.

around the world. Even if they are not yet accrediting against ISO PAS 28007 or PSC1, SGS do accredit to the ISO supply chain security management series including ISO 28000. Both the Swiss Accreditation Service and SGS would be able to explain to ICOCA the checks involved in the accreditation process and to reassure the Association as to the independence of CBs *vis a vis* their clients. Accredited CBs *inter alia* certify industry against fire safety standards, the requisite standards for technical laboratories and as regards technical standards in the aviation and automotive industries. These are just some of the areas where Governments are very happy to leave the rigorous vetting of safety standards to be undertaken by the private sector. SCEG notes that separate accreditation is required for each and every Standard to which the Certification Body wishes to certify.

Reviewing the Standards for consistency with ICOC

4. While PSC1 was developed within the framework of ICOC, ISO PAS 28007 was developed in response to a request from the UN International Maritime Organisation and hence does not cite ICOC specifically nor enter into detail on the many internationally relevant and applicable international legal obligations and human rights commitments. In order to help CBs, the UKAS draft Guidance has spelt out what is expected of CBs seeking accreditation to this standard together with ISO 28000 in light of the pilot assessments, including as regards human rights commitments including the UN Guiding Principles on Business and Human Rights.

5. There is a statement in the ICOCA paper about "any clarifications needed regarding ambiguities of the standards". This would appear to fail to understand the purpose of certification to an International management system standard. There is not one single route to a conformity assessment. It is not an exercise in ticking boxes where there is only one correct answer. A company will establish its processes according to its particular circumstances in order to meet the requirements of a Standard; hence a CB necessarily must operate with flexibility and comprehension. This is made clear in the UKAS guidance, is a key issue and must be made clear to the ICOCA Board and Secretariat.

Evidence to be provided to the ICOCA

6. This paragraph of the ICOCA paper fails to meet the basic requirement of industry for "no duplication". Such requirements would be both to second guess the actions of a CB and indeed the material requested for applications for membership, as well as legislative requirements of Governments. The proposal would *inter alia* breach the core principle and contractual requirement of international certification, which is confidentiality between the client and the company it certifies. In any case, because a certification is not "once and for all" but is reviewed in a surveillance audit every 6 months, the company must demonstrate "continuous improvement" to its CB and that it has taken steps to address any minor issues found in a previous audit. Moreover, depending on the scope of the audit agreed between the company and its CB, non-conformities may be of a very technical nature relating eg to positioning of surveillance cameras to protect a client's assets, how radio communications are working or the range chosen for training operatives for service at sea. Will the ICOCA be in a position or indeed wish to pronounce on such issues?

Continuous improvement

7. Since the Code and Association are voluntary commitments and companies who aspire to membership are those who wish to apply the highest possible standards of service to their clients and communities where they operate, SCEG would suggest that ICOCA should ask to see a copy of the Certification Certificate of its members to establish what is the geographical scope covered and for what activities and technical areas, and separately invite the company to advise if there have been any non-conformities which might be relevant to the ICOC. They could invite the company to submit a copy of its 'internal action plan' following such an audit which would inter alia address any minor non conformities identified. If there has been a major non conformity relating to the ICOC, a company will not have been certified. The action plan will demonstrate the company's commitment to continuous improvement which as required under the Standards. This simple procedure could avoid duplication of effort, establish a positive collaborative process and save the ICOCA reams of unnecessary paper that would need to be kept securely by the Secretariat and could not be made available to the Board. And it would not place the ICOCA in the position of appearing to be a secondary body aspiring to approve or disapprove the status and performance of the CBs.

ICOCA mapping of certification process and evaluation of Certification/Auditing bodies

8. The paper says that *"After a standard has been accepted for evaluation the Committee will conduct a preliminary evaluation of the prospective standard by looking at and mapping both the content of the standard and the process by which a company is certified to it including the qualifications required of certification or auditing bodies"*.

This is a very ambitious task and would appear to conflate three distinct processes. The first is evaluation of any standard against the ICOC (which we understand thus far ICOCA has outsourced to academic experts). The second is looking at the process by which a company is certified. The second statement would duplicate both the work of the CB in auditing a company's processes as already explained. The third statement would appear to go into competition with Governments and indeed European institutions who have established National Accreditation Services as set out in EU Regulation 765/2008, as well as the International Accreditation Forum in maintaining and supervising standards applied by the national accreditation services.

9. Moreover, accredited CBs are additionally conducting regular surveillance audits. It is not clear how the ICOCA Board would propose to match the depth of such investigations without calling on Government resources or establishing a large Secretariat or employing teams of outside experts at considerable cost. The cost of a certification audit of one company can range from \$60,000 to hundreds of thousands of dollars depending on the size of the company and its geographical spread. Companies would not pay twice over.

10. Hence SCEG would suggest that ICOCA's recognition process should simply identify the following:

- is the Standard consistent with the aims of ICOC?
- is there a satisfactory national process of certifying against such a standard i.e. are there CBs who have accredited status from an internationally approved body?
- Is there a State Accreditation Agency which is part of IAF and has the responsibility for approving the activities of CBs against each of the relevant standards?

- Are there National/international Guidance which helps Accreditation Services and CBs understanding of the underlying legal and human rights obligations of a national or international standard, in addition to the UKAS guidance?
- Has ICOCA established a relationship with the States concerned in order to be clear as to the bona fides of both the National Accreditation Agency and the CBs? (There are many bodies that claim to be National Accreditation Agencies and are simply enterprising private companies without any national status or formal recognition).
- Why does ICOCA not simply ask its future members to submit its internal action plan as part of its continuous improvement following an audit, or at least those parts of it that are relevant to ICOC?

Further ICOCA Requirements

11. At the AGA, one of the CBs asked what it was that ICOCA would do that is not undertaken by a CB in its audit and 6 monthly surveillance audits. The answer referred to the need for risk analysis and human rights methodology. By definition, the private security industry operates on the basis of risk analysis as its starting point and those risks necessarily include the possibility that any of the actions by company employees or contracted personnel might have a human rights impact. But since different human rights organisations have a distinct approach to assessing human rights impact, why does ICOCA not publish its own human rights methodology in the form of a questionnaire? Then the answers to such questions could provide the additional data ICOCA seeks to assure itself that a company is acting correctly.

12. Turning to the additional ICOCA paper "on draft metrics for Tier 1 reporting" which has been suggested as a first draft under 'Reporting and Monitoring', we do not believe this very lengthy paper is an appropriate basis for reporting. It is difficult to see how the questions would provide any real insights into the human rights approach in practice of the particular company and the approach is excessively burdensome. It should be withdrawn. Any subsequent draft should be premised on avoidance of duplication of the work of the CBs and the legal requirements of Governments in dealing with the purchase, registration, licensing and movement across borders of firearms, ammunition and other controlled items. For example, the issue is not control of numbers and movements of firearms and ammunition (and other controlled items) which is highly regulated by States and by the European Union in keeping with the Consolidated EU and National Arms Export Licensing Criteria. Establishing that a company has all the requisite licences and export and import controls is an essential part of a CB audit. Large firearm holdings are not the issue so much as how and when a firearm is used inappropriately. Some of the most egregious examples of abuse/uncontrolled attack have involved one man and one firearm. EU member states all have legislation with criminal penalties for companies who do not comply with the legal requirements involved in acquiring, licensing, storing, exporting or brokering firearms or other controlled goods across borders. The USG have similar very far reaching provisions. Most states follow suit including for example both Iraq and Afghanistan.

13. Taking into account these strong reservations which were also expressed clearly at the AGA on the 4th December, as a more credible approach SCEG would be happy to collaborate with the ICOCA in drawing up a more relevant and limited number of questions that could get to the heart of the ICOCA's 'Reporting and Monitoring' function. SCEG also suggests that the ICOCA Secretariat might find it useful to have a private daylong session with two or more of the CBs accredited to PSC1 and ISO PAS 28007. ICOCA might also wish to have a

meeting with the Swiss SGS and the Swiss SAS on the ethical requirements imposed on CBs more generally. This could enable the Director General to present a paper to the Board setting the details of what is involved in the certification process and enable ICOCA to set out its Key Performance Indicators for compliance with ICOC which fall within their expertise and do not overlap with Government regulation or audits by the CBs.

Summary

14. SCEG stands ready and willing to support the further development of the ICOCA protocols within the following constraints:

- That ICOCA fully understands and accepts the certification conducted by accredited CBs and does not seek to duplicate their audits.
- That ICOCA recognises the legislative requirements imposed by Governments.
- That ICOCA is commercially viable, practicable and affordable for its members.
- That ICOCA recognises the contractual sensibilities of private and public clients and legal constraints on PSCs.
- The ICOCA needs to concentrate its work where it can add value rather than duplicating the efforts of other organisations.

P M Gibson
Director of SCEG

Representing a consensus view of SCEG industry members and guided by the SAG.

London
15th January 2015