
Impartiality and Prevention of Conflict of Interests between Consulting and Certification KAB-A-01

1. Application scope

This document specifies guidance in the operation of accreditation scheme which Korea Accreditation Board (hereafter referred to as “KAB”) and accredited CBs (hereafter referred to as “CBs”) shall follow. Particular, the intent of this document is to provide guidance on prevention of the conflict of interest between consulting and certification, and this document applies to all accredited CBs impartially, together with the KAB accreditation criteria. The applied scope of this document is as follows.

Applies to	
<input type="radio"/>	ISO 9000 CB
<input type="radio"/>	ISO 14000 CB
<input type="radio"/>	QS-9000 CB
<input type="radio"/>	TL 9000 CB
<input type="radio"/>	Other CBs accredited by KAB
<input checked="" type="checkbox"/>	QMS/EMS TB

2. KAB Advisory

2.1 Conflict of interests between consulting and certification

2.1.1 Definition

According to ISO/IEC Guide 62 and relevant IAF Guidance, the impartiality and independence shall be assured at three levels : strategy and policy, decisions on certification, auditing. “Impartiality” means to deal with all applicants and certified organizations in a non-discriminatory manner. All the circumstances that lead to give preferential or unfair treatment to a specific organization or groups shall be considered as a “Conflict of Interest”. All behaviors relevant to a conflict of interests shall be against the requirement of impartiality, and prohibited accordingly.

2.1.2 The following shall be considered as a conflict of interests.

- (1) When a CB gives a specific advice or training directly or indirectly toward development and implementation of management system to a potential client or certified organization. Such activities shall be considered as a consulting,

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regardless of the venues such as premises owned by organization or CB or a third place. Mostly any activity that performed upon request or suggestion by organization or was actively marketed by a CB for eventual certification may be perceived as a conflict of interests.

- (2) When a CB gives a certification and consulting directly or indirectly linked with a consulting body to a potential client or certified organization as follows:
 - ① When CB has contracted with a consulting body for providing an organization with a consulting and certification simultaneously
 - ② When CB gives a business advantage to a consulting body on condition that it recommends or introduces the CB to an organization.
 - ③ When CB suggests that certification would be simpler, easier or less expensive if any specified consulting body was used.
- (3) When a CB exercises an influence on a client to use its certification service while offering other services such as mandatory certification scheme except certification to the client. Or when a CB exercises an influence on a client to use its other services such as testing or inspection while providing certification service to the client.
- (4) When a CB forces its auditors or consultants to market its certification to a client in return for providing them with unfair advantages or benefits such as commission or unfair assignment of audit days without the performance evaluation.
- (5) When a CB forces the audit team to reduce number of nonconformities or perform a favorable audit to the organization to which it marketed certification.

2.1.3 Scope of conflict of interests

Giving a specific advice on development of an organization's management system, regardless of the fields such as ISO 9000, ISO 14000, OHSMS, QS-9000, TL 9000, AS 9100 etc shall be considered as conflict of interests. Accordingly, consultancy on finance and on KS certification, 100PPM and CE mark including development of management system, and other advice, training and teaching activities toward the development or improvement of management system shall be perceived as a conflict of interests.

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2.2 Employment of and conflict of interests by auditors and consultants

2.2.1 CB, employees of the CB (including full and part time, permanent and non-permanent) and any subcontracted person (or body) with the CB for certification services (audit, administration, verification etc) shall not give any advice or consulting during in office or contract period.

2.2.2 In particular, CB shall require the subcontracted person (or body) to comply with the relevant provision on prohibition of consulting and conflict of interests in the accreditation criteria and this advisory. Therefore, a consultant who is employed or sub-contracted to a certification body for certification services (audit or administrative activities) shall not be engaged in consultancy for the contracted period. CB shall have a procedure and mechanism to identify the consultant's previous, present or future engagement in consultancy, and manage to eliminate conflict of interests with certification.

2.2.3 An auditor contracted to a CB exclusively whose purpose is to obtain or maintain accreditation in specific scope(s) by the contract shall not contract with other CB seeking for the same purpose. An auditor qualified for two or more management systems may contract with one CB of the all management systems. In this case, the auditor shall not contract with other CB seeking for obtaining or maintaining accreditation of one or more management systems by the contract.

2.2.4 Employees of, or contracted persons with a CB exclusively may contract with other CBs for conducting audit in part-time with the consent of the CB.

2.2.5 Prohibition of consultancy by auditors and connection/package deal/simultaneous advertisement of consulting and certification : Consulting body and auditors acting as consultant shall not conduct an audit if they have been involved in any consultancy activities towards the organization in question, advertise or recommend

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a specific CB or related CB, and suggest that certification would be easier if any specific consultancy was used. When employed or subcontracted auditor or consulting body to which the auditor belongs is involved in such activities, CB shall take an appropriate action of the auditor or consulting body. If the CB has not taken the action, it shall be considered as nonconformity.

<Table on Consultancy prohibition for CB's employee and subcontracted auditor>

Type of contract		Contract for audit in part-time with other CBs	Consultancy during the contract period for certification activities	Possible period for consultancy	Remarks
Employees of CB	Full time	Allowed	Not allowed	After retirement	Operation of, or involvement in the activities of consulting body to be considered as conflict of interests
	Part time	Allowed	Not allowed	After expiration of contract for employment	Operation of, or involvement in the activities of consulting body during the contract period to be considered as conflict of interests
Sub-contracted person or body(eg. sub-contracting of audit or verification of audit		Allowed	Not allowed	After expiration of contract for sub-contracting	Operation of, or involvement in the activities of consulting body during the contract period to be considered as conflict of interests

Additional clause

1. These criteria will be effective from 1 January 2006