

April 2007



International Federation of Inspection Agencies

# Compliance Code

Third Edition



This Third Edition of the IFIA Compliance Code and its supporting Guidelines enter into force on 1 April 2007 and supersede the Second Edition published in July 2005.

Any words and expressions which are defined in the IFIA Articles of Association dated 12 October 2001 shall have the same meaning in this Code unless otherwise stated.

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## Introduction

The International Federation of Inspection Agencies (IFIA) is an association of companies whose business is to verify their clients', or third parties', products, services or systems.

The value that IFIA Members provide to their clients is trust. For this reason IFIA has chosen to adopt and implement a Compliance Code that enshrines the substance of the integrity that IFIA membership stands for.

The Compliance Principles address technical and business professional conduct and ethics in relation to the following areas:

- Integrity
- Conflicts of interest
- Confidentiality
- Anti-bribery
- Fair marketing.

It is a condition of IFIA membership that Members implement and abide by the Compliance Code. This entails:

- approval of the Member's implementation by IFIA
- a Compliance Programme throughout the Member's organisation
- policies and procedures in accordance with the Code
- training of staff globally, and
- regular monitoring of compliance with the Code.

To ensure the effectiveness of their implementation, Members are required to submit their Compliance Programme to an annual independent examination whose results are reported to IFIA.

The result is a sound and verified basis for trust.

# IFIA Compliance Principles

## 1. Integrity

The Member shall operate in a professional, independent and impartial manner in all its activities.

The Member shall carry out its work honestly and shall not tolerate any deviation from its approved methods and procedures. Where approved test methods make provision for tolerances in results, the Member shall ensure that such tolerances are not abused to alter the actual test findings.

The Member shall report data, test results and other material facts in good faith and shall not improperly change them, and shall only issue reports and certificates that correctly present the actual findings, professional opinions or results obtained.

## 2. Conflicts of interest

The Member shall avoid conflicts of interest with any related entity in which it has a financial or commercial interest and to which it is required to provide services.

The Member shall avoid conflicts of interest between the Member's companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other.

The Member shall ensure that its employees avoid conflicts of interest with the activities of the Member.

## 3. Confidentiality

The Member shall treat all information received in the course of the provision of its services as business confidential to the extent that such information is not already published, generally available to third parties or otherwise in the public domain.

## 4. Anti-bribery

The Member shall prohibit the offer or acceptance of a bribe in any form, including kickbacks on any portion of a contract payment.

The Member shall prohibit the use of any routes or channels for provision of improper benefits to, or receipt of improper benefits from, customers, agents, contractors, suppliers, or employees of any such party, or government officials.

## 5. Fair marketing

The Member shall only present itself and conduct marketing, including any comparisons with or references to competitors or their services, in a manner that is truthful and not deceptive or misleading or likely to mislead.

## Requirements for Implementation

Each Member of IFIA shall:

1. Commit itself at board level to implement the Compliance Principles throughout its organisation through operation of a Compliance Programme which has been approved by IFIA
2. Appoint a Compliance committee and Compliance officer to oversee and manage the Programme
3. Train staff, ensure their continuing understanding of the Compliance Programme and consult them on its development
4. Provide help lines for staff and encourage the reporting of violations on a confidential basis and free from reprisal except in malicious cases
5. Publicly disclose its Compliance Principles and facilitate enquiries, complaints and feedback
6. Investigate and record all reported violations and apply corrective and disciplinary measures.
7. Protect the security of confidential business information
8. Maintain accurate books and records which properly and fairly document all financial transactions
9. Ensure that its Compliance Programme is applied to the extent appropriate to its business partners
10. Monitor the effectiveness of its Programme through the use of annual management declarations and internal auditing
11. Arrange for the effectiveness of the implementation of the Programme to be examined at least annually by a competent independent external audit firm
12. Submit copies of the independent assurance report, including any reportable conditions, annually to IFIA within six months of the end of its financial year.

These requirements are supported by Guidelines which are published separately and which provide IFIA Members with an approved means of meeting the requirements. Members whose Compliance Programmes do not follow the Guidelines in a particular respect may still have their Programme approved by IFIA so long as they can demonstrate to the Director General that their Programme meets the relevant requirements of the Code in an equivalent way to that set out in the Guidelines.

- Ends -

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