



## **EA Strategy 2025**

- Action 1.1: Redefine the responsibility and composition of the Executive Committee in order to strengthen the strategic leadership and management of EA
- 1.1.1 Define a new leadership structure (Executive Committee/Board).

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## **Introduction**

The European co-operation for Accreditation (EA) is a not-for-profit association set up in November 1997 and registered in the Netherlands in June 2000. That means that EA is governed by the law of the Netherlands.

Regulation (EC) No 765/2008 established the legal basis for accreditation in Europe. According to this Regulation EA has been appointed as the body responsible for the European Accreditation Infrastructure and National Accreditation Bodies (NABs) shall be a member of EA.

The objectives and tasks of EA are defined in:

- Articles of Association (AoA)
- EA-1/17 Rules of Procedure (RoP)
- Regulation (EC) No 765/2008
- General Guidelines for the Cooperation between EA, EC, EFTA, and Competent National Authorities
- Strategy 2025
- EA Action Plan
- Annual Work Programmes

The tasks and activities have been significantly increased during the last years and will increase further in the future, notably the support to the European Commission regarding accreditation and conformity assessment in legislations and the support to the EA members regarding new accreditation activities.

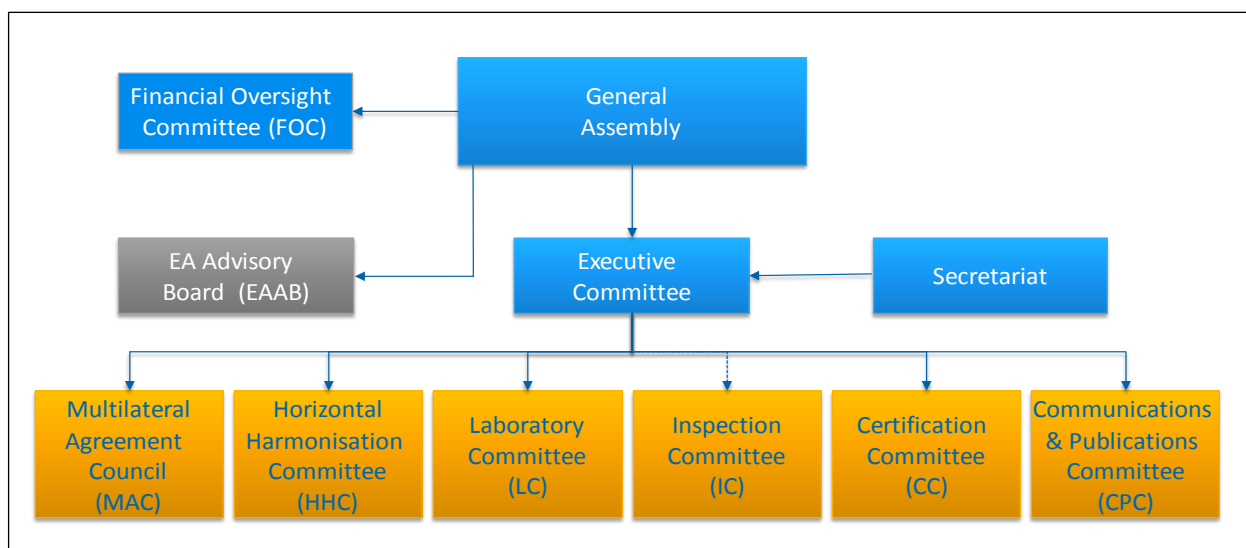
The EA structure is set out in the Articles of Association (AoA) and in EA-1/17 Rules of Procedure (RoP). The structure shall enable EA to achieve the objectives and to implement the defined tasks.

During the elaboration of the Strategy 2025, EA identified that the present management structure shall be improved in order to achieve the objectives and to implement the defined tasks. Therefore it has been agreed to redefine the responsibility and composition of the Executive Committee to strengthen the strategic leadership and management of EA.

## 1. Present Management structure of EA

The EA structure is defined in the AoA and the RoP and has not changed over the last 20 years. The structure is comprised of:

- General Assembly (GA)
- Executive Committee (EX)
- Financial Oversight Committee (FOC)
- MLA Council (MAC)
- 4 Technical Committees (HHC, CC, IC, LC) and the CPC
- EA Secretariat



### **1.1 General Assembly**

The General Assembly (GA), the highest decision-making body of the association, supervises the management and the general course of affairs of the association and takes decisions in respect of strategy and general policies.

The tasks and responsibilities of the EA GA are described in the Articles of Association and the Rules of Procedures.

The General Assembly is responsible for all matters contained in the Articles of Association, including:

- a) Establishing policies and strategic plans;
- b) Decisions on technical, operational or strategic aspects that will be binding on the Members;
- c) Election of Chairman, Vice-Chairman, Committee and Council Chairmen, and Executive Committee additional members;
- d) Acceptance of new members;
- e) Terminations of membership for due cause;
- f) Decisions to sign Cooperation Agreements with accreditation bodies that cannot become EA Full or Associate Members;
- g) Setting up and disbanding EA committees;
- h) Approval of Terms of Reference and work programmes for Committees/Councils;
- i) Endorsement of reports on work and activities of Committees/Councils;
- j) Approval of documents on EA governance;
- k) Approval of reports from the Executive Committee, including financial reports, and formally discharging any liability of the Executive Committee;
- l) Approval of the EA budget and work programme;
- m) Endorsement of procedures for handling appeals and complaints;
- n) Endorsement of agreements with the European Commission and EFTA;
- o) Receipt of information from the MAC on the outcome of peer evaluations;
- p) Other matters as agreed from time to time by the General Assembly;
- q) Endorsement of the status of Recognised Stakeholders.

### **1.2 Executive Committee**

The Executive Committee (EX) holds the responsibility for implementing EA policies and for the management of the association between the General Assembly meetings.

The tasks and responsibilities of the EA EX are described in the Articles of Association and the Rules of Procedures.

### **1.3 Financial Oversight Committee (FOC)**

The FOC shall prepare a recommendation to the General Assembly regarding the annual financial statements and the Executive Committee's financial report.

#### **1.4 MLA Council**

The EA MLA Council (MAC) is responsible for the management and operation of the EA peer evaluation system, including the decision-making on MLA signatory status.

#### **1.5 Committees**

The technical work of EA is divided into 4 committees each responsible for a specific field. The current technical committees (TCs) are:

- Horizontal Harmonisation Committee (HHC)
- Laboratory Committee (LC)
- Certification Committee (CC)
- Inspection Committee (IC)

The Communication and Publication Committee (CPC) is the forum for the exchange of information and experiences related to and discussion of communication issues relevant for EA Members and Stakeholders.

The tasks of the committees are described in the related Terms of Reference.

#### **1.6 EA Secretariat**

The main tasks of the EA Secretariat comprise:

- Supporting the Executive Committee and all other EA Committees;
- Serving as secretariat for the EA General Assembly, the Executive Committee, the EA MAC and the 5 Committees;
- Serving as secretariat for the EAAB including to ensure close cooperation with recognised stakeholders;
- Being the contact point for the European Commission/EFTA and stakeholders;
- Cooperation with other regional organizations and ILAC/IAF;
- Dealing with requests for information and serving the network of members;
- Dealing with applications for membership;
- Conducting the association's day-to-day operations;
- Managing EA budget and dealing with legal issues;
- Managing contracts with EC/EFTA;
- Supporting and managing EA projects, including projects based on contracts with EC/EFTA;
- Managing training activities;
- Managing internal and external communications, including updating the EA website.

The EA Secretariat is also responsible for managing the peer evaluation process and peer evaluators.

June 2014 EA recruited an Executive Secretary with the aim to transfer the operational activities from the Executive Committee, in particular from the EA Chair/Vice-Chair, to the Secretariat.

## **2. Present composition and responsibilities of the Executive Committee and its representation**

The Executive Committee (EX) is a corporate body (“organ”) of EA. The composition and the tasks of the EX is set out in the Articles of Association and the Rules of Procedures.

### **2.1 Composition of the Executive Committee**

According the AoA Article 12, the composition of the Executive Committee shall be:

1. a. the Chairman and Vice-Chairman  
b.- the Chairmen of EA Committees (including the Technical committees, MAC, CPC, and not including the FOC) and  
c.- a maximum of four additional persons appointed by the General Assembly, preferably amongst delegates of Full Members, to ensure a proper representation of all Members and access to expertise regarding technical, management and policy issues.
2. The Chairman, Vice-Chairman, Committee Chairpersons and further members of the Executive Committee shall be representatives of the Full Members.

The responsibilities of the Executive Committee are defined in the Articles of Association and the Rules of Procedures.

### **2.2 Responsibilities of the Executive Committee**

#### **AoA Article 15:**

Provided that is done after obtaining approval from the General Assembly, the Executive Committee shall be empowered to enter into agreements to acquire, alienate and encumber registered property and also to enter into agreements in which EA binds itself as surety or several co-debtor, gives a guarantee for a third party or binds itself as security for a debt of a third party and to represent EA with regard to these acts. The absence of this approval may be relied on against third parties.

#### **RoP Article 8.3:**

The responsibilities of the Executive Committee are to implement EA policy and to manage the organisation (including financial management) between the meetings of the General Assembly and as directed by the General Assembly. To these ends it will:

- a) Ensure the proper functioning of EA;
- b) Ensure the coherent and transparent operation of EA’s activities in accordance with the objectives and other provisions of the Articles of Association;
- c) Ensure proposals, reports etc. are presented to the General Assembly in a coordinated, transparent and comprehensive manner. Such reports from the Multilateral Agreement Council and the Financial Oversight Committee shall be submitted directly by those bodies;
- d) Prepare agreements and other contracts with the European Commission on the operation of a peer evaluation system and for the development of sectoral accreditation schemes and other issues as appropriate;
- e) Prepare the annual Work Programme and associated budget for the Operating Grant and any specific Grants or Contract for submission to the European Commission;

- f) Ensure that an appropriate financial audit is conducted annually in a manner to satisfy the requirements of the Articles of Association;
- g) Monitor and ensure proper coordination of the work, activities and reporting of the EA committees;
- h) Develop proposals concerning the strategy, policies and activities of EA;
- i) Seek international cooperation between EA and relevant international bodies;
- j) Ensure proper cooperation with other relevant organisations/parties in the field of conformity assessment;
- k) Provide stakeholders with the status of Recognised Stakeholders following consultation with the EA Advisory Board and endorsement by the General Assembly;
- l) Establish the Secretariat and monitor its performance;
- m) Appoint an Executive Secretary;
- n) Empower the Executive Secretary to sign employment contracts with staff members of the Secretariat and contract agreements with suppliers and service providers;
- o) Hold the responsibility of EA as an employer and be the contact point for the Executive Secretary in managing the Secretariat. The responsibility will normally be delegated to the Chairman and Vice-Chairman.

#### **Executive Committee: representation**

Pursuant to Article 14 of the AoA, EA shall be represented by:

1. a. the Executive Committee;  
b. the Chairman; or  
c. the Vice-Chairman; or  
d. the proxyholder with the title Executive Secretary, registered with the trade register; or  
e. two jointly acting members of the Executive Committee.
2. The Executive Committee may resolve to grant power of attorney to one or more members of the Executive Committee, and also to third parties, to represent EA within the limits of that power of attorney.
3. In all cases in which EA has a conflict of interest with one or more of the members of the Executive Committee, the General Assembly may designate one or more persons to represent EA.

### **3. Challenges with the present composition and responsibilities of the Executive Committee**

The Executive Committee is the body within EA, who shall ensure that the strategic, governance and operational activities as well as the technical activities are processed according the EA policies. Nevertheless, according to the content of RoP (see above) most of tasks and responsibilities assigned to the Executive Committee are related with management, governance and financial aspects.

Nevertheless, currently the Executive Committee is mainly focused to a major extent on technical activities mainly because of the composition of the Executive Committee as Technical Committee Chairs are in general more interested on technical issues. On the other hand, it is difficult to get more senior management officers (more experienced and focused in governance and financial aspects) from NABs

interested on a position in the Executive Committee, as long as the majority of the seats are dedicated to Committee Chairs.

In the current situation there is a misalignment between the tasks and responsibilities assigned to the Executive Committee in the RoP, the professional profile of Ex members and the actual time and effort allocated to both technical and governance topics during ExCom meetings.

Note: The option of having two separate meetings of the Executive Board with separate members, one meeting for strategic, financial and governance issues and a second meeting for technical issues would not be reasonable due to liability. Executive Committee members attending the technical meetings only, would be liable for any decision taken by the group dealing with the strategic, financial and governance issues. But being liable for decisions without any influence would not be acceptable.

Therefore, it will be needed, to separate both parts formally in order to have clear responsibilities, including liability.

Due to the arguments mentioned above the EA Strategy group, which has defined the Strategy 2025, recommended the following action:

EA Strategy 2025, action 1.1: Redefine the responsibility and composition of the Executive Committee in order to strengthen the strategic leadership and management of EA.

EA Strategy 2025, sub-action 1.1.1: Define a new leadership structure (Executive Committee/Board).

Both actions have been endorsed by the EA General Assembly at its meetings on 23-24 November 2016 (EA Resolution 2016 (38) 04 Strategy 2025) and 23-24 May 2017 (EA Resolution 2017 (39) 06 Strategy 2025 Implementation plan).

Hence the Strategy 2025 TFG 1 has defined a new management structure (Executive Committee/Board), which shall be presented to the EA General Assembly.

Accordingly the following tasks are proposed:

- Developing an Executive Board to assume governance duties assigned currently to the ExCom adjusting its composition and members profile to such kind of duties
- Developing a Technical Management Board to specifically lead the management of technical issues with better focus and more depth and time.

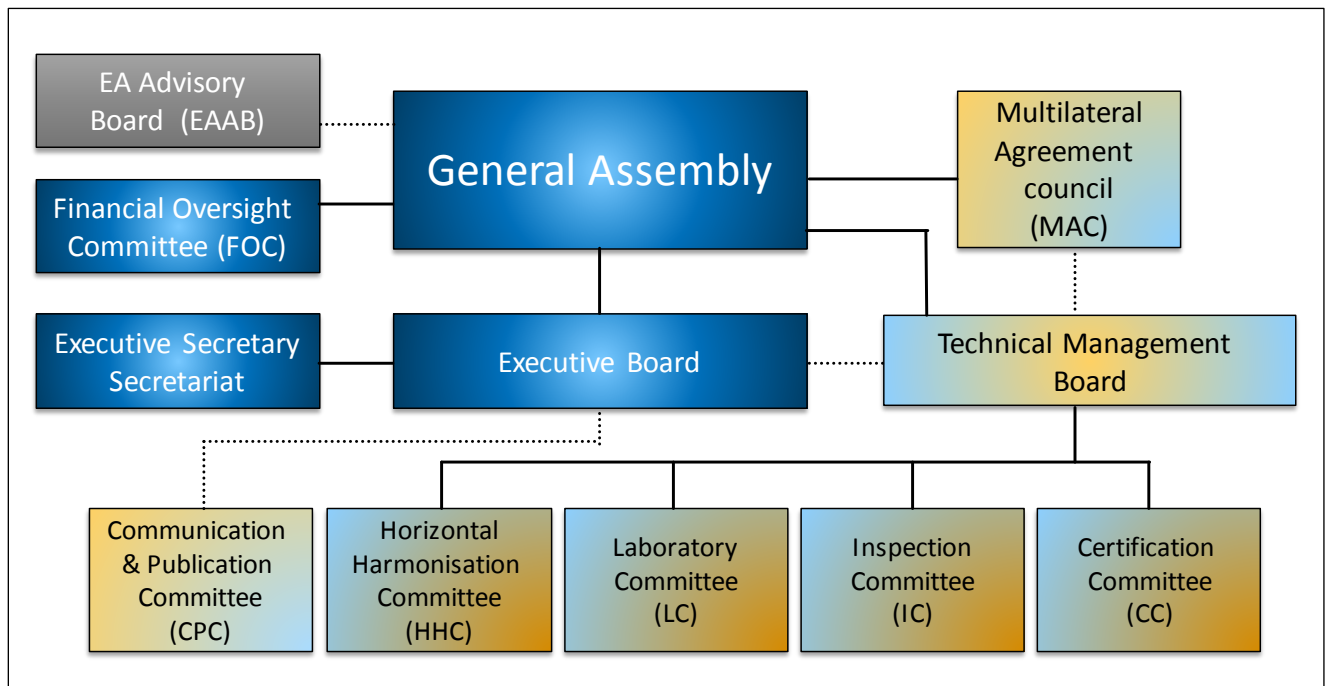
#### 4. Proposed new Management structure

In order to cover the strategic, governance, technical and operational activities in an appropriate way, the following structure is recommended:

Executive Board: Strategic, financial and governance issues

Technical Management Board: Technical issues

Executive Secretary/Secretariat: Operational issues



Note 1: Technical issues are related to ISO/IEC 17011 and MLA level 3 – 5 standards/schemes.

##### 4.1 Executive Board

The Executive Board shall be responsible for all governance activities. In terms of the current Article 8.3 of the EA RoP it means that it will be responsible for all the tasks and responsibilities currently assigned to the Executive Committee, except clause 8.3.g. This means that the Executive Board will be responsible of activities such as:

- Directing and managing the Association in accordance with the AoA and the policies established by the General Assembly;
- Ensure that the organizational structure of the Organization is appropriate to implement the strategy as established by the GA;
- Monitor the implementation of the strategy set by the General Assembly;
- Establishing the annual EA budget for endorsement by the General Assembly;
- Ensure that an appropriate financial audit is conducted annually in a manner to satisfy the requirements of the Articles of Association;



- Prepare agreements and other contracts with the European Commission;
- Prepare the annual Work Programme and associated budget for the Operating Grant and any specific Grants or Contract for submission to the European Commission;
- Electing, appointing and dismissal of the Executive Secretary;
- deciding the authority and scope of work of the Executive Secretary and rules for conducting the affairs of the Organization;
- Supervising of the Executive Secretary;
- Approving new member bodies' applications, followed by endorsement by the General Assembly;
- Approving member exclusions, followed by endorsement by the General Assembly;
- Approving Recognized Stakeholder agreements, followed by endorsement by the General Assembly;
- Approving Cooperation Agreements with third parties (NABs, regional accreditation cooperation's);
- Approving the policies for the cooperation with stakeholders, followed by endorsement by the General Assembly;
- Establishing of the EA communication strategy, followed by endorsement by the General Assembly.

#### Composition of the Executive Board:

- The Executive Board should have a maximum of six members (including Chair and Vice-Chair) all of which are representatives of Full Members;
- The Executive Board members shall be senior management officers (preferably CEO) of the Full member NAB;
- A Full Member of EA can under normal circumstances only have one person elected to serve on the Executive Board (and on the Technical Management Board);
- The MAC Chair may be invited for specific peer evaluation / MLA signatory issues, which may have legal or financial impact for EA (if needed);
- The CPC Chair may be invited for specific communication issues (if needed).

**Note:** The Executive Board members shall be senior management officers (preferably CEO), because it is expected that these persons have the needed knowledge and experience in finances, communication and marketing, strategic issues and governance as well as the network to ( the higher level of) national and European authorities.

#### Meetings of the Executive Board:

The Executive Board shall meet at least twice a year.

The Executive Board shall be a corporate body ("Organ") of EA and shall be led by the EA Chair (President). Further details shall be defined in the AoA and the RoP.

#### **4.2 Technical Management Board**

The Technical Management Board shall be responsible for the coordination of the EA technical activities. In terms of the current article 8.3 of EA RoP it means that it will be responsible for:

- Monitor and ensure proper coordination of the work, activities and reporting of the EA committees

This means that the TMB will be responsible of activities such as:

- Responsibility for the general management of the technical committees within the framework of policies established by the Executive Board, followed by endorsement of the General Assembly;
- Recommendation of the establishment and dissolution of technical committees, followed by the approval by the Executive Board and endorsement by the General Assembly;
- Approving the establishment and revisions of the directives for the work of the technical committees (Terms of References), followed by the endorsement of the General Assembly;
- Dealing with all matters of coordination, performance and monitoring of technical committee activities;
- Dealing with horizontal technical issues on request by the technical committees and/or the Executive Board;
- Supporting cooperation with the European Commission and other stakeholders in technical matters, in cooperation with the Executive Secretary;
- Reporting to the General Assembly.

Composition of the Technical Management Board:

- The Technical Management Board shall be comprised of the Technical Committee Chairs, MAC Chair and the EA Vice-Chair;
- The EA Vice-Chair shall act as the Chair of the Technical Management Board;
- The Technical Management Board members shall be employees of Full Members of EA;
- A Full Member of EA can under normal circumstances only have one person elected to serve on the Technical Management Board (and on the Executive Board);
- The Technical Management Board Chair shall report to the General Assembly, if needed (apart from the Technical Committee reports).

Note: The Technical Management Board members shall have sound technical knowledge and experience in the relevant areas/activities.

Meetings of the Technical Management Board:

The Technical Management Board shall normally meet twice a year.

The responsibilities, composition and meetings of the Technical Management Board shall be further defined in the Rules of Procedure.

Note: The issue of empowering the Technical Management Board and/or the Technical Committees, even under the existing structure, in order to streamline the decision-making process in EA is on the agenda of the Strategy 2025 TFG 2. Any recommendation must finally be endorsed by the General Assembly.

### **4.3 General Assembly**

The tasks and responsibilities of the EA General Assembly shall not be changed due to the new Management structure, unless the EA General Assembly decides differently (see Strategy 2025 TFG 2).

The tasks and responsibilities of the EA GA are described in the Articles of Association and the Rules of Procedures (see above item 1).

#### **4.4 Technical Committees, MAC and CPC**

There will be no differences regarding the tasks and responsibilities of the Technical Committees, MAC and CPC between the existing and the new proposed EA structure.

#### **4.5 Secretariat**

There will be no differences regarding the tasks and responsibilities of the Executive Secretary and the Secretariat due to the existing and the new proposed EA Management structure.

### **5. Financial impact of the proposed Management structure**

There will be only a financial impact regarding the management of the Executive Committee vs the Executive Board and Technical Management Board and the related travel expenses. Any other activities performed by the EA Chair (and Vice-Chair if needed) will not change due to the new structure. Therefore, these costs have not been considered for the financial impact of the new proposed Management structure.

The financial impact analysis can be summarized that the costs for EA and its members will not change significantly due to the new management structure. Other elements, like compensation of EA members for committee activities, will be more important in the future than the consequences of the new management structure.

However, the analysis shows a slight decrease of costs due to the new management structure. More details see below.

#### **5.1 Costs of the existing Executive Committee**

The Executive Committee members are currently compensated for the following activities:

- 6 man-days for EA Chair for the management of the Executive Committee
- 12 man-days for EA Chair and Vice-Chair for 4 meetings (2 meetings with 2 days and 2 meetings with 1 day)
- travel expenses for 12 Executive Committee members and 4 meetings

The total costs for the Executive Committee are estimated 2018 at around 35.000 Euro.

The costs for the EA members, providing the Executive Committee members, can be estimated in total as follows:

- 12 members and 4 meetings (2 meetings with 2 days and 2 meetings with 1 day, plus 1 day for preparation of each meeting and 1 day for travel = 14 man-days each per year, with 400,00 Euro per day) are estimated at around 67.200 Euro.
- EA Chair for the management of the Executive Committee additional 4 days, estimated at 1.600 Euro

The costs for the EA members, providing the Executive Committee members are estimated at around 68.800 Euro per year.

Considering the compensation of 35.000 Euro, the total EA members costs are estimated at around 33.300 Euro.

## **5.2 Costs of the new Management structure**

### **5.2.1 Costs for EA**

Costs for the Executive Board:

- 3 man-days for the Chair for the management of the Executive Board: 1.200 Euro
- 3 meetings for the Chair and Vice-Chair (1 meeting with 2 day and 2 meetings with 1 day): 3.200 Euro
- travel expenses for 6 Executive Committee members and 3 meetings: 11.250 Euro

The total costs for the Executive Board are estimated at around 15.650 Euro.

Costs for the Technical Management Board:

- 3 man-days for the Vice-Chair for the management of the Technical Management Board: 1.200 Euro
- 3 meetings for the Vice-Chair (1 meeting with 2 day and 2 meetings with 1 day): 1.600 Euro
- travel expenses for 6 Technical Management Board members and 3 meetings: 11.250 Euro

The total costs for the Technical Management Board are estimated at around 14.050 Euro.

The total costs for EA of the Executive Board and Technical Management Board are estimated at 29.700 Euro.

### **5.2.2 Costs for the EA members**

The costs for the EA members, providing the Executive Board members, can be estimated in total as follows:

- 6 members and 3 meetings (1 meeting with 2 days and 2 meetings with 1 day, plus 1 day for preparation of each meeting and 1 day for travel = 10 man-days each per year, with 400,00 Euro per day) are estimated at around 24.000 Euro.
- EA Chair for the management of the Executive Board additional 2 days, estimated at 800 Euro

The total costs for the EA members, providing the Executive Board members are estimated at around 24.800 Euro per year.

The costs for the EA members, providing the Technical Management Board members, can be estimated in total as follows:

- 6 members and 3 meetings (1 meeting with 2 days and 2 meetings with 1 day, plus 1 day for preparation of each meeting and 1 day for travel = 10 man-days each per year, with 400,00 Euro per day) are estimated at around 24.000 Euro.
- EA Vice-Chair for the management of the Technical Management Board additional 2 days, estimated at 800 Euro

The total costs for the EA members, providing the Executive Board members are estimated at around 24.800 Euro per year.

The costs for the EA members, providing the Executive Board members and Technical Management Board members, are estimated at around 49.600 Euro per year.

Considering the compensation of 29.700 Euro, the total EA members costs are estimated at around 19.900 Euro.

## 6. Summary

According the endorsed Strategy 2025 a new leadership structure (Executive Committee/Board) shall be defined. Considering the comments received from the EA members June/July 2018, the Strategy 2025 TFG 1 has elaborated a new Management structure, which can be summarized as follows:

- Enhancement of strategy issues through the new Executive Board with senior management experienced in strategic, financial and governance issues;
- The Technical Management Board will focus on the coordination of technical committees and horizontal technical issues relevant for all technical committees, and no mixture with financial and governance issues;
- The tasks and responsibilities of the General Assembly, MAC, CPC and Technical Committees will not be changed due to the new management structure;
- The total number of EA members involved in the Executive Board and the Technical Management Board will not change in relation to the existing Executive Committee;
- Small NABs will have the same possibility to become a member of the Executive Board or Technical Management Board, like they have currently regarding the Executive Committee;
- The costs for the new Management structure will decrease (slightly) and the meetings streamlined.

The new Management structure shall be evaluated after 4 years by the Executive Board and Technical Management Board, followed by a final review by the General Assembly.

### **Proposed EA Resolution**

The General Assembly agrees to establish an Executive Board and a Technical Management Board as described in document EAGA(18)11-12 draft new EA Management Structure 26September2018.

The Executive Committee shall revise the EA Articles of Association and EA-1/17 EA Rules of Procedures accordingly for the endorsement by the General Assembly.