

State Agency “Latvian National Accreditation Bureau”

Mid-Term Strategy

for 2020 – 2022

Table of Content

1. INTRODUCTION	3
1.1. Authority, Functions, Mission and Vision of the Agency	3
1. Evaluation of Agency’s Activity Between 2018 and 2019	5
2. Directions and Strategic Priorities of the Agency for 2020 – 2022	8
3. Description of the Directions	10
3.1. Direction Oriented to the Provision of Services	10
3.2. Direction Oriented to Customer Needs and Cooperation	15
3.3. Direction Oriented to Sustainable Operation of the Agency	18
3. Administrative Capacity of the Agency	21
4. Financial Resources	26
5. Strategic Risks of the Agency	28

1. INTRODUCTION

The Strategy for 2020 – 2022 of the State Agency “Latvian National Accreditation Bureau” (hereinafter – Agency) is a mid-term policy planning document.

The Strategy aims at establishing the strategic directions and aims of the Agency for 2020 – 2022, while also describing the main objectives and performance indicators.

During the aforementioned time period, the Agency shall plan and organize its work, taking into account the amount of the available funding and rational utilisation of funds according to the aims of the Agency.

In view of the priorities outlined in the Strategy, each year, the Agency establishes a Working Plan outlining specific measures to achieve the aims set out in the Strategy.

1.1. Authority, Functions, Vision and Mission of the Agency

Pursuant to Cabinet Regulation No. 111 “Regulations of the State Agency “Latvian National Accreditation Bureau”” of 27 February 2018, the Agency is a direct administrative authority operating under supervision of the Minister for Economy. The Minister for Economy performs the supervision through the Ministry of Economy.

The Agency was established with the aim:

- To provide reliable, high quality accreditation services to conformity assessment bodies, taking into account the needs of the economy.
- To ensure the compliance with the directly applicable requirements of the European Union and international requirements in the field of accreditation.
- To participate in the development and implementation of the national accreditation policy.

Functions of the Agency

While carrying out its activities, the Agency fulfils the functions and tasks of a national accreditation body, set out in the Law on Conformity Assessment, Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93 (hereinafter – Regulation No 765/2008), and Cabinet Regulation No. 673 “Regulations on the Assessment, Accreditation and Monitoring of Conformity Assessment Bodies” of 17 December 2019.

As provided for in Cabinet Regulation No. 398 “Requirements for Work Quality of Laboratories and Inspections of Laboratories” of 3 September 2002, the Agency operates as a national body monitoring the good laboratory practice in Latvia.

Mission, vision and values of the Agency

The Agency shall organize and carry out its activities in view of the identified mission, vision and values.

MISSION	To provide a single national conformity assessment system, recognized on the European Union and international market, which contributes to the export capacity of entrepreneurs, their competitiveness, the increase of their productivity and integration in global value chains, as well as to facilitate confidence of the general public to this system and its reliability.	
VISION	To become a highly professional, reliable and modern public administration body both at national and international level.	
VALUES	Leadership	Constant orientation to efficiency, effectiveness and performance excellence.
	Interoperability	Supportive cooperation in both internal and external processes.
	Excellence	Orientation to constant improvement of the operation and management, mutual integration, as well as the identification and implementation of the good practice and innovations.
	Impartiality and neutrality	The functions are implemented single-handedly, independently, equally and fairly, in accordance with the integrity policy and preventing any interventions.
	Professionalism	Qualified, competent and experienced staff able to manage and apply the acquired knowledge and techniques.
	Loyalty	All decisions are made and activities are carried out only on the grounds of national and public interests.
	Trust	Mutual trust and respect at all levels, ensuring the transparency of business processes and administration.

1. Evaluation of Agency's Activity Between 2018 and 2019

While fulfilling the functions of an accreditation body within the planning period of 2018 – 2019, the Agency implemented the following strategic priorities:

- To facilitate reliability and quality of the services provided by the national accreditation body.
- To ensure the compliance with the status of a public administration body;
- To ensure the compliance with the requirements outlined in the standard LVS EN ISO/IEC 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies.

During the reporting period, the outcomes of the work performed by the Agency were planned in the directions of the maintenance of accreditation services and the internal and external processes.

The summary of the achieved outcomes in each direction is presented below.

The following targets were set in the direction of the maintenance of accreditation services:

- To ensure constant maintenance of the services provided by the Agency, irrespective of the reorganisation measures of the Agency.
- To ensure constant development of the competence of the Agency.

Outcome

Ensuring the maintenance and development of accreditation services and the required competence.

Performance indicators

The measures for the maintenance of accreditation services and the respective performance indicators are outlined in Table 1 below.

Table 1 – Accreditation measures and performance indicators in 2018 and 2019

Measures	Year 2018	Year 2019
Maintained accreditation	311 bodies	323 bodies
Decisions on granting the initial accreditation	22 bodies	11 bodies
Re-accreditation	44 bodies	56 bodies
Monitoring of accreditation bodies, retaining their status in the respective scope of accreditation	220 bodies	212 bodies

Extension of the scope of accreditation	27 bodies	25 bodies
Non-accreditation	2 bodies	0 bodies
Suspended accreditation	3 bodies	3 bodies
Withdrawn accreditation	4 bodies	12 bodies

During the reporting period, the Agency organized training for the staff, experts and conformity assessment laboratories involved in the assessment process with regard to the requirements outlined in the standard LVS EN ISO/IEC 17025:2017 – General requirements for the competence of testing and calibration laboratories.

Several qualification trainings focusing on the new lead assessors have been implemented. In seven cases, the trainees have acquired the qualification of the lead assessor.

During the reporting period, the Agency has commenced the accreditation of testing and calibration laboratories in accordance with the requirements outlined in the standard LVS EN ISO/IEC 17025:2017 – General requirements for the competence of testing and calibration laboratories, and ensured the possibility to receive accreditation services in accordance with the requirements outlined in the standard LVS EN ISO/IEC 17043:2015 – Conformity Assessment – General requirements for proficiency testing.

In addition to the above, the range of accreditation services has been expanded, offering accreditation in the following fields:

- ISO/IEC 20000-1:2018 – Information technology – Service management – Part 1: Service management system requirements.
- Accreditation of bodies verifying and inspecting the greenhouse gas reports in accordance with the requirements laid down in Cabinet Regulation No. 597 “Procedures of Calculating and Reporting the Greenhouse Gas Emissions and Their Reductions Within the Transport Energy Life-Cycle” of 25 September 2018.
- Accreditation of forestry contractor certification bodies within the PEFC¹ in accordance with the requirements outlined in the standard LVS EN ISO/IEC 17065:2013 – Conformity assessment – Requirements for bodies certifying products, processes and services, and the PEFC Forestry Contractor Certification Standard.
- Accreditation of product certification bodies in accordance with the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and

¹ PEFC (Programme of the Endorsement of Forest Certification) is an international, non-profit, non-governmental organization which promotes sustainable forest management.

the standard LVS EN ISO/IEC 17065:2013 – Conformity assessment – Requirements for bodies certifying products, processes and services.

- Inspection of (smart) equipment for recording the work periods and break time of the driver, the distance travelled and speed in accordance with the Regulation (EU) 2016/799 of 18 March 2016 implementing Regulation (EU) No 165/2014 of the European Parliament and of the Council laying down the requirements for the construction, testing, installation, operation and repair of tachographs and their components (Annex 1C).

The following targets were set in the direction of the internal processes:

- To adjust the internal processes of the Agency to the requirements for public administration bodies.
- To ensure the compliance of the internal processes of the Agency with the requirements outlined in the standard LVS EN ISO/IEC 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies.

Outcome

Review of the internal regulatory enactments and processes, adapting them to the legal provisions laid down in the Public Agencies Law, the State Civil Service Law and the State Administration Structure Law, as well as implementation of the requirements of the standard LVS EN ISO/IEC 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies, within the quality management system of the Agency and their transposing into the internal regulatory enactments regulating accreditation matters.

Performance indicators

A total of 32 internal regulatory enactments have been reviewed during the reporting period, and the following new internal regulatory enactments have been developed and coordinated with the Ministry of Economy:

- Work Procedure Rules;
- Procedures of Setting the Wage and Social Guarantees;
- Regulations of the Accreditation Committee;
- Code of Ethics;
- Regulations of the Ethics Committee;
- Procedures of Organizing Business Trips;
- Procedures of Using Road Vehicles;
- Procedures of Using Means of Communication;
- Rules of Procedure of the Agency;
- Rules of Procedure of three departments;
- Regulations of the Qualification Committee;
- Regulations on Representation Expenses.

During the reporting period, the European Cooperation for Accreditation performed an audit, evaluating the activities, personnel competence, practical approach during the assessment, as well as the internal and external communication of the Agency. Within the audit, the outcome of the audit of the multilateral recognition agreement of the European Cooperation for Accreditation was positive.

The following targets were set in the direction of the external processes:

- To ensure participation in the development of external regulatory enactments.

Outcome

To ensure participation in the development of external regulatory enactments, enhancing the existing regulatory framework in the field of conform assessment services.

Performance indicators

On 10 October 2019, the law “Amendments to the Law on Conformity Assessment”, which, inter alia, specifies the delegation to the Cabinet of Ministers (Section 13).

On 17 December 2019, the Cabinet Regulation No. 673 “Regulations on the Assessment, Accreditation and Monitoring of Conformity Assessment Bodies” of 17 December 2019, which replaces the Cabinet Regulation No. 1059 “Regulations on the Assessment, Accreditation and Monitoring of Conformity Assessment Bodies” of 16 December 2018 in force by the aforementioned date, was adopted. The new Cabinet Regulation describes the accreditation process from the submission of the application until the rendering of the decision in detail, specifying also the persons involved in the process of rendering the decision on accreditation, as well as providing for the transfer of all certification cases to another accredited certification body in cases where an accredited certification body discontinues its operation, thus ensuring the continuity of the accreditation monitoring process. Furthermore, new requirements of the regulatory framework for the use of accreditation marks are being developed.

2. Directions and Strategic Priorities of the Agency for 2020 – 2022

In order to ensure further development of accreditation services and long-term maintenance of accreditation fields in view of the national economy and market needs, the following directions of the Agency are planned:

- **Direction oriented to the Provision of services**, which aims at ensuring high-quality accreditation services to facilitate the export capacity of Latvian entrepreneurs on EU and international markets, at the same time ensuring successful operation of the national accreditation systems and cross-border recognition of the results issued by conformity assessment bodies.
- **Direction oriented to customer needs and cooperation**, which aims at ensuring the efficiency of the activities carried out by the Agency, constant development of the services provided and quality enhancement in view of the needs of the operators of modern economy and good management practice.

- **Direction oriented to sustainable operation of the Agency**, which aims at developing professional, modern and reliable operation of the Agency with mutually supportive, professional and excellence-oriented in-house culture.

Priorities for action of the Agency for 2020 – 2022:

- 1) To perform impartial, independent and professional assessment, based on risk management, and to **accredit and monitor** the conformity assessment bodies in the regulated and non-regulated fields.
- 2) **To facilitate international competitiveness of the accreditation system**, maintaining full membership of the European Cooperation for Accreditation, becoming a full member of the International Accreditation Forum (IAF) and the International Laboratory Accreditation Cooperation (ILAC) and ensuring the recognition of the certificates issued by Latvian conformity assessment bodies and test results of the laboratories in those countries requiring ILAC and IAF certificates.
- 3) **To develop a supporting cooperation network** with sectoral ministries, market monitoring authorities and cross-border accreditation collaboration partners.
- 4) **To review** the internal and external regulatory enactments regulating the **accreditation process**, in order to ensure the efficiency and transparency of the operation, as well as to reduce the administrative burdens and digitalize all business processes, including gradual integration of the digital transformation and service automation principle, the principle of tacit consent, the zero paper economy principle, the principle “Consult first”, the zero-bureaucracy principle, the principle of interoperability, the principle “Focus on the user”, the principle “Inform once only”, the initiative “Functionary shadows an entrepreneur”, etc.
- 5) **To develop a modern innovation-based working environment**, facilitating constant upskilling, as well as implementing a programme of material and non-material incentives for the attraction and retention of labour force in accordance with the market tendencies.

3. Description of the Directions

3.1. Direction Oriented to the Provision of Services

Name of the direction: Service quality enhancement
Description of the current situation: <p>The first strategic direction is related to the enhancement of the quality of the services provided by the Agency, maintaining the existing accreditation fields and acquiring new ones, as well as taking into account the needs of market operators.</p> <p>The performance indicators of this direction are mainly related to maintenance of the status of the notified conformity assessment bodies accredited within the Latvian national accreditation system and in accordance with the laws and regulations of the European Union, their monitoring and re-assessment, as well as the acquisition of new accreditation fields, taking into account the introduction of new accreditation requirements in the legislation of the European Union and the national regulatory framework, as well as the activities of the European Cooperation for Accreditation and the needs of market operators.</p> <p>In order to ensure the recognition of accreditation services at international level, the Agency is a full member of the European Cooperation for Accreditation since 1999 and the signatory of the Multilateral Recognition Agreement of the European Cooperation for Accreditation, providing internationally recognized accreditation services in the following fields:</p> <ul style="list-style-type: none">– accreditation of testing laboratories (standard LVS EN ISO/IEC 17025:2017 – General requirements for the competence of testing and calibration laboratories);– accreditation of medical laboratories (standard LVS EN ISO 15189:2013 – Medical laboratories – Requirements for quality and competence);– accreditation of calibration laboratories (standard LVS EN ISO/IEC 17025:2017 – General requirements for the competence of testing and calibration laboratories);– accreditation of product certification bodies (standard LVS EN ISO/IEC 17065:2015 – Conformity assessment – Requirements for bodies certifying products, processes and services);– accreditation of bodies providing certification of persons (standard LVS EN ISO/IEC 17024:2013 – Conformity assessment – General requirements for bodies operating certification of persons);– accreditation of bodies providing certification of management systems (standard LVS EN ISO/IEC 17021-1:2019 – Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements);– accreditation of bodies performing inspection (standard LVS EN ISO/IEC 17020:2013 – Conformity assessment – Requirements for the operation of various types of bodies performing inspection);

- accreditation of bodies verifying greenhouse gas (GHG) and tonne-kilometre reports (standard LVS EN ISO 14065:2016 – Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition);
- accreditation of bodies verifying the Eco-Management and Audit Scheme (EMAS) and monitoring of the operation of foreign verifier in accordance with the Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organizations in a Community Eco-Management and Audit Scheme (EMAS).

Within the strategy planning period, the Agency plans to take the necessary measures to become a full member of the IAF and ILAC, thus facilitating the recognition of accreditation services at international level and global competitiveness of entrepreneurs.

The European Cooperation for Accreditation monitors the conformity of the European accreditation infrastructure and the activities of its members, including the Agency, in accordance with the Regulation (EC) No 765/2008.

The activities of the Agency are audited by the European Cooperation for Accreditation once every four years. The next audit of the Agency's activities is to take place from 11 to 15 October 2021.

The Agency provides services in both the regulated and non-regulated area. When deciding to carry out the economic activity in a regulated area, the conformity assessment bodies must obtain accreditation. Whereas in a non-regulated area, the bodies are entitled to obtain accreditation on a voluntary basis, in order to demonstrate their capacity and competence to carry out certain type of conformity assessment activities.

In the light of the identified market failures and the share of complaints received, the Agency's Strategy for 2020 – 2022 outlines the following priority areas to be specially addressed by the Agency in collaboration with market surveillance authorities:

- dangerous equipment;
- medical equipment;
- construction materials;
- laboratory tests;
- metrology.

In view of the market operator needs, in order to make sure the laboratories are competent in performing specific testing or calibration and ensure the control over the compatibility and comparability of laboratory testing or calibration results, it is necessary to ensure the development of interlaboratory programmes at national level. For the time being, there is a lack of development and implementation of this type of programmes. Consequently, interlaboratory comparison programmes should be developed in

collaboration with the National Metrology Institute, taking into account the task provided for in Section 14, Paragraph 3, Clause 8 of the Law on Uniformity of Measurements, and to organize, inter alia, interlaboratory comparisons.

In the light of the new requirements for accreditation laid down in the legislation of the European Union and the national regulatory framework, as well as the activities of the European Cooperation for Accreditation and the market operator needs, the Agency plans to acquire the following new fields during the established strategy planning period:

- environmental technology verification;
- fertilizer certification;
- playground inspections;
- inspections of compressed natural gas (CNG) cylinders;
- validation and verification in accordance with the new standard ISO/IEC 17029:2019 – Conformity assessment – General requirements for validation and verification bodies;
- biobanks;
- cybersecurity;
- conformity assessment of drones.

The accreditation of new bodies and the monitoring of the accredited ones contributes to the reduction of the technical barriers to trade and to the strengthening of the confidence of consumers, public administration and companies in the quality and safety of products and services.

The role of accreditation marks in the operation of the conformity assessment bodies has not been evaluated so far. However, the accreditation mark stands for quality, thus certifying that a product or service complies with the established requirements and strengthening the confidence in specific products and services. Consequently, a recognizable and reliable accreditation mark supports the competitiveness and export capacity of entrepreneurs.

Aim of the direction:

To ensure high-quality accreditation services through innovation-based solutions, thus strengthening the export capacity of Latvian entrepreneurs on the EU and international markets, while ensuring successful operation of the national accreditation system and cross-border recognition of the results issued by the conformity assessment bodies.

Performance outputs					
Outcome	Performance indicator	Numerical values of the performance indicator			
		2019	2020	2021	2022
1. Provision of internationally recognized accreditation services.	Maintenance of the status of the conformity assessment bodies accredited within the Latvian national accreditation system (number of bodies).	323	293	293	293
	Maintenance of the status of the notified conformity assessment bodies (number of bodies).	25	23	23	23
2. Acquisition of international experience and implementation of cross-border collaboration in the field of accreditation services.	Conclusion of collaboration agreements with the national accreditation bureaus of other countries with which the Agency has planned to implement cross-border collaboration (concluded agreements).	1	2	1	1
	Participation in international training (number of trainings)	2	2	2	2
3. Full membership of international organizations.	Implementation of the necessary measures for the Agency to become a full member of the IAF and ILAC (the application has been drawn up and submitted).	–	1	–	–
	Positive outcome of the audit performed by the European Cooperation for Accreditation.	–	–	1	–
4. General public is aware of and has confidence in the services provided by conformity assessment bodies and	Elaboration of the Agency's Communication Plan for the implementation of accreditation and conformity assessment activities.				

<p>associates the accreditation mark with a quality mark.</p>	<p>Elaboration of a concept report on the role of the accreditation mark and the need to develop a new accreditation mark, in collaboration with conformity assessment bodies.</p>	<p>–</p>	<p>–</p>	<p>1</p>	<p>–</p>
<p>5. Coordination of the implementation of interlaboratory comparison programmes, in collaboration with the National Metrology Institute.</p>	<p>Elaboration of a Working Plan for the development and implementation of interlaboratory comparison programmes, in collaboration with the National Metrology Institute.</p>	<p>–</p>	<p>1</p>	<p>–</p>	<p>–</p>
<p>Objectives for the implementation of the direction:</p> <ol style="list-style-type: none"> 1. To comply with the requirements laid down in the standard LVS EN ISO/IEC 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies, documents of the European Cooperation for Accreditation and the instructions and decisions of international organizations, including the IAF and ILAC. 2. To ensure the participation of the staff in international trainings, as well as the meetings organized by the European Cooperation for Accreditation and other international organizations, to the extent possible, in order to facilitate the transfer of knowledge and experience at international level, and to implement cross-border experience exchange activities. 3. To participate in the development and improvement of regulatory enactments and policy planning documents in collaboration with the Ministry of Economy, in order to ensure the implementation of clear requirements for accreditation, while building a common understanding of accreditation and accreditation-related activities. 4. To ensure that the staff acquires the necessary skills and knowledge independently, in order to ensure the acquisition of new fields, while organizing the respective meetings with the stakeholders and coordinating the implementation of interlaboratory comparison programmes at national level. 5. To evaluate the procedures of determining the service fees, taking into account the actual situation and identifying the good practice of the national accreditation bureaus in the Baltic and Nordic countries. 6. To establish a working group for the evaluation of the accreditation mark. 					

3.2. Direction Oriented to Customer Needs and Cooperation

<p>Name of the direction: Direction oriented to customer needs and cooperation</p>
<p>Description of the current situation:</p> <p>The second strategic direction is related to Agency’s activities with regard to customer service and comprehensive cooperation, which aims at ensuring the effectiveness and efficiency of the activities carried out by the Agency, constant development of the services provided and quality enhancement in view of the needs of the operators of modern economy and good management practice.</p> <p>The performance indicators of this direction are mainly related to the measures, which are implemented to become a modern, customer-centred and cooperation-oriented institution that adheres to the basic principles enshrined in the State Administration Structure Law and Administrative Procedure Law, as well as the principles invigorated in the work of the Ministry of Economy.</p> <p>In order to contribute to cross-border cooperation, the Agency has concluded cooperation agreements with the national accreditation bureaus of Great Britain, Finland, Italy, Germany and Albania.</p> <p>During the planning period set in the Strategy, the Agency expects to enter into the agreement also with Lithuania and Poland.</p> <p>For the purpose of facilitating efficient monitoring of conformity assessment bodies, a cooperation agreement was concluded with the Consumer Rights Protection Centre on 28 May 2010 and the Health Inspectorate on 16 October 2019. During the planning period, it is planned to conclude a cooperation agreement with the Radiation Safety Centre, the Food and Veterinary Service, State Environmental Service, etc.</p> <p>In order to facilitate efficient interaction between the Agency and its customers, as well as to ensure gradual implementation of public administration trends in the work of the Agency with regard to both the use of private sector approaches and methods, and the growing impact of information and communication technology on the Agency’s business process administration, during the planning period, the Agency intends to integrate a range of principles already enshrined in the field of public administration and the work of the Ministry of Economy, as well as new principles and initiatives:</p> <ul style="list-style-type: none">• digital transformation and service automation principle;• the principle of tacit consent;• the principle “Consult first”;• the zero-bureaucracy principle;• the principle of interoperability;• the principle “Focus on the user”;• the principle “Inform once only”;

- the initiative “Functionary shadows an entrepreneur”, etc.

Aim of the direction:

To ensure a customer-oriented approach, effectiveness and efficiency, reducing of the existing bureaucratic obstacles, ensuring faster and more efficient provision of services, improving the quality of services and operational transparency, as well as implementing the digitalization of business processes and contributing to comprehensive cooperation with sectoral ministries, market surveillance authorities and cross-border national accreditation bodies.

Performance outputs

Outcome	Performance indicator	Numerical values of the performance indicator			
		2019	2020	2021	2022
1. Compliance with and adherence to the basic principles enshrined in the regulatory enactments binding to public administration authorities.	Internal staff training on the basic principles enshrined in the State Administration Structure Law and Administrative Procedure Law (number of trainings).	–	1	–	–
	Elaboration of internal guidelines on the basic principles applicable to the work of the Agency.	–	1	Continued to be maintained	Continued to be maintained
2. Review of the internal and external regulatory enactments regulating the work of the Agency, in order to ensure efficiency, transparency, reduction of administrative burdens and digitalization of all business processes, including through gradual integration of the digital transformation and service automation principle, the principle of tacit consent, the zero paper	Digitalization of all business processes (percentage of the digitalization of all business processes).	–	80	90	95
	Gradual implementation of the principles enshrined in the field of public administration, adopting the necessary measures to be implemented within the working plan of the Agency (elaborated working plan).	–	1	Continued to be maintained	Continued to be maintained

principle, the principle “Consult first”, the zero-bureaucracy principle, the principle of interoperability, the principle “Focus on the user”, the principle “Inform once only”, the initiative Functionary shadows an entrepreneur”, etc.					
3. Cooperation between the sectoral ministries and market surveillance authorities on a reciprocal basis.	Conclusion of cooperation agreements with market surveillance authorities (agreements concluded).	1	1	1	1
	Organization of awareness-raising activities among the sectoral ministries with regard to the accreditation services (awareness-raising activity).	–	1	1	1
<p>Objectives for the implementation of the direction:</p> <ol style="list-style-type: none"> 1. To constantly enhance customer service and the regulatory framework regulating the processes related to the provision of services, in compliance with the requirements laid down in the standard LVS EN ISO/IEC 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies, documents of the European Cooperation for Accreditation and the instructions and decisions of international organizations, including the IAF and ILAC. 2. To ensure the participation in the meetings organized by the European Cooperation for Accreditation, as well as in cross-border experience exchange activities. 3. To ensure services that meet the customer needs, facilitating the enhancement of the quality of services and proportionate rate at which the services are provided. 4. To ensure the digitalization of all business processes, adopting the necessary measures to implement a single working environment system and ensuring the implementation of the document and data flow management system “Namejs”. 5. To raise awareness of the nature and benefits of accreditation among the developers of regulatory enactments and policy planning documents. 					

3.3. Direction Oriented to Sustainable Operation of the Agency

Name of the direction: Direction oriented to sustainable operation of the Agency
Description of the current situation: <p>The third strategic direction is related to the aim to ensure professional, modern and reliable operation of the Agency characterized by supportive, professional and excellence-oriented internal culture. The direction oriented to sustainable operation of the Agency is related to a set of measures necessary to ensure efficient and high-quality fulfilment of functions and management of resources – human resource planning, budget planning and the strategic planning.</p> <p>The outcomes and objectives to be achieved partly continues the enhancement of the internal processes of the Agency commenced during the previous planning period with the aim to ensure constant orientation to efficiency and rational operation of the organization.</p> <p>A total of 21 posts have been created in the Agency, three of which were vacant at the end of the previous reporting period (one for the lead assessor and two for the Assistant Heads of the Lead Assessor’s Department). Attraction of professional and highly-skilled staff and the necessary training to provide high-quality and professional services create a significant additional burden with regard to both efficient utilization of resources and workload of the personnel.</p> <p>The Agency constantly faces the challenge of involving highly-skilled staff in the accreditation process and retain it. The attraction of a highly-skilled staff is related not only to the posts in the Agency, but also the opportunities to attract external experts.</p> <p>The attraction of a highly-skilled staff and organization of the training for the acquisition of a qualification is directly related to full and timely performance of the functions of the Agency.</p> <p>Generally, given the fact that the possibilities to attract, retain and motivate a qualified staff are currently restricted and the most valuable resource in performing the functions of the Agency is a professional, loyal and motivated staff with long-standing experience, high risks with regard to full performance of the functions of the Agency and provision of high-quality services are expected to remain during the upcoming planning period.</p> <p>Consequently, in order to facilitate the efficiency of work performed by the Agency, one of the most important elements is the capacity to ensure a working environment that contributes to productivity and facilitates the attraction of new staff and the retention of the existing one.</p> <p>Meanwhile, given that the duties of the Agency’s officials involved in the accreditation process are related not only to the competences of an expert, including constant upskilling, but also to the duty of managing the accreditation panel, controlling the delegation and performance of tasks and making decisions, it is necessary to ensure that the officials involved in the accreditation process are</p>

gradually provided with a remuneration reaching at least 80% of the market rate. Also, an incentive system oriented to efficient and productive performance of duties is being implemented.

Aim of the direction:

To ensure efficiency of the Agency and to increase productivity through the attraction of highly-skilled staff and ensuring modern working environment oriented to efficient management of resources.

Performance outputs

Outcome	Performance indicator	Numerical values of the performance indicator			
		2019	2020	2021	2022
1. Implementation of measures to improve the working environment, including the increase in the remuneration of the employees commensurately with their work contribution and professionalism.	Development of the plan for the improvement of the working environment, including the evaluation whether or not the implementation of LEAN methods is useful.	–	1	–	–
	Adequate level of remuneration according to the market rate (in accordance with the reforms implemented within the remuneration system for the public administration sector.	–	–	70	80
	Development of an incentive system oriented to the efficiency and productivity of duties.	–	1	–	–
2. Increased satisfaction of the customers of the Agency with the services provided and employee satisfaction with the working environment.	Conduction of a customer survey on the services provided and elaboration of a working plan for the rectification of deficiencies (elaborated customer survey and working plan).	1	1	1	1

	Conduction of the employee satisfaction survey and elaboration of an action plan for the rectification of deficiencies.	–	1	1	1
<p>Objectives for the implementation of the direction:</p> <ol style="list-style-type: none"> 1. To identify the good practice applied by the accreditation bureaus of the Nordic and Baltic countries in this direction within the measures to be implemented. 2. To facilitate open internal communication of the Agency through positive, creative and aim-oriented microclimate and organizational culture of the Agency. 3. To ensure that the employees of the Agency are aware of the values, mission, vision and aims of the Agency. 4. To facilitate the attraction of the best experts, ensuring excellence-oriented internal culture. 5. To ensure the necessary provision of adequate working premises, in collaboration with the Ministry of Economy. 6. To review the structure of the Agency, identifying its weaknesses and taking the necessary measures for their mitigation. 7. To review the job descriptions of the employees, determining and ensuring personal development opportunities. 8. To enhance the capacity of the Agency to provide services and proportionally increase the revenues of the Agency. 					

3. Administrative Capacity of the Agency

Structure, services and human resources

In 2019, a total of 21 posts were created in the Agency, 17 of which are directly related to accreditation functions performed by employees the scope of work and competence of which are divided into the segments of the accreditation of bodies performing accreditation, certification and inspections, whereas the four employees are in charge of the administrative functions.

In 2019, the Agency has provided accreditation services to more than 300 customers, which include, inter alia, the initial assessment and re-assessment, constant monitoring, handling of complaints on the operation of the accredited customers, as well as a non-routine assessment in case of changes in the accreditation fields or other accreditation-related matters.

The number of customers is gradually increasing. Also, the number of fields to be accredited tends to increase.

The Agency is an off-budget institution the revenues of which consist of the fees for the services provided. In case of inefficient distribution of responsibilities, the number of the customers served decreases, whereas the time necessary to provide a service to one customer increases, thus directly affecting the financial situation of the Agency.

In order to ensure high-quality services and seek to respond to the needs of the market operators, national economy and the global market in a more efficient manner, it is necessary to review the existing allocation of duties on a regular basis and to enhance the structure of the Agency, if necessary. Having evaluated the structure of the Agency and the job descriptions of its employees, the following needs were identified:

- To review the structure of the Agency, identifying its weaknesses and taking the necessary measures for their mitigation.
- To review the job descriptions of the employees, determining and ensuring personal development opportunities.
- To enhance the capacity of the Agency to provide services and proportionally increase the revenues of the Agency.

Strengths	Weaknesses
Competence, qualification and experience at international level.	Employee turnover and demographic aging.
Highly-skilled personnel with a professional qualification, skills and long-standing experience.	Low recognition and awareness by general public.
The only body providing this kind of services.	Lack of the continuity of professional knowledge.

Body that does not depend on the State budget.	Lack of technical knowledge at national level.
Efficient internal quality management system.	Uncompetitive remuneration.
International cooperation.	Bureaucratic internal processes.
Identified internal and external risks.	Limited opportunities for growth at work.
Support by the management of the Agency, forward-looking and management style.	Lack of internal data retrieval.
Access to educational programmes and investment in the professional knowledge of the new employees.	Long period of time before the new employees are able to perform their functions independently.
Direct collaboration with the European Cooperation for Accreditation and the national accreditation bureaus in other countries.	Lack of working environment, including a modern infrastructure and improvements.
Opportunities	Threats
To make the internal and external processes more efficient and to reduce the bureaucratic and administrative burden.	Shortcomings in the regulatory framework, constant changes and disproportionately short transition period.
To develop communication with: <ul style="list-style-type: none"> – general public; – customers; – market surveillance authorities; – developers of policies and regulatory enactments; – cross-border collaboration partners (international organizations and national accreditation bodies). 	Low awareness of the mission of conformity assessment bodies.
To digitalize the business processes.	Shortcomings in the information provided by the conformity assessment bodies thus misleading the Agency.
To submit the proposals for draft regulatory enactments within the scope of the functions of the Agency in a timely manner.	Limited human resources with the required competences, knowledge and skills, including the lack of experts at national level.
To educate the conformity assessment bodies.	Changing political priorities.
To facilitate the attraction of experts from abroad.	Reputational risks, potential corruption and conflicts of interest.
To develop a system of non-material incentives for the employees.	High remuneration in the private sector.

To develop the internal data retrieval.	Employee burnout.
To ensure sustainable development of the Agency's human resources.	Decrease in the quality of the services provided due to the lack of leadership and overload.
To widen upskilling opportunities for the employees.	Risk of international derecognition due to the failure to comply with the requirements laid down in the standard LVS EN ISO/EN 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies.
To improve the working environment.	Labour-intensive contribution to the identification of the requirements outlined in international standards.
To develop the corporate identity of the Agency, to facilitate the recognition of its image and to reflect its values.	Lack of enforcement measures, if significant irregularities are found in the functioning of a conformity assessment body.
To participate in the process of developing international standards.	Crisis in the current processes of society.

The main drivers of the Agency:

- Demand by the market operators, general public and public administration sector, including the European Union, for accreditation services.
- Increased demand for the services provided by conformity assessment bodies.
- Development of market processes.
- Increased requirements for public interests and environmental protection.

The main aspects of the existence and development of the Agency:

- Support by and collaboration with the sectoral ministries, market surveillance authorities and the national accreditation bodies in other countries.
- Competence and qualification of the employees and the availability of enforcement measures, in order to ensure efficient monitoring.
- Collaboration with international organizations, sectoral professionals and experts, as well as opportunities for upskilling and exchange of experience for the employees.
- Number of employees with a qualification consistent with the scope and specificity of work of the Agency.

- Sufficient and flexible financial provision.
- Material and non-material incentives for the employees.
- Collaboration with conformity assessment bodies and awareness of their mission.
- Clear and constant basis of legal requirements.

Balance of competences

The system established in the Agency ensures that the assessment of laboratories is performed by eight lead assessors in accordance with two standards, whereas the assessment of bodies performing the certification and inspections – by eight lead assessors in accordance with six standards. The data of the Agency suggest that the Department of the Accreditation of Bodies Performing Certification and Inspections are in charge of 120 bodies on average per year (bodies performing inspections, bodies certifying products and personnel, bodies certifying quality systems and bodies verifying GHG), whereas the Department of the Accreditation of Laboratories – of 190 laboratories (testing, calibration and medical laboratories). The current tendencies show that the demand for the accreditation of bodies performing certification and inspections keeps increasing, while the number of customers in the field of the accreditation of laboratories tends to decrease. The overall conclusion is that, for the time being, the distribution of the Agency’s human resources by the areas of competence is uniform and balanced.

The Agency must comply with the requirements outlined in the standard LVS EN ISO/EN 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies, while carrying out its activities, including the requirement that a person who has participated in the body assessment process shall not be entitled to participate in the work of the Accreditation Committee, i.e., to decide on the assessment outcomes. Having evaluated the requirements outlined in the standard LVS EN ISO/EN 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies, it can be concluded that at least three lead assessors competent in the requirements laid down in each standard to be applicable during the accreditation must be available in the Agency. Consequently, the existing system of the Agency must be reviewed on a regular basis, ensuring the following:

- focus of specific competences on at least three to four Agency’s employees;
- uniform distribution of competences.

Given the specificity of the Agency’s work, the new employees may be involved in the assessment processes only as soon as they are qualified to perform the duties of the lead assessor. It takes approximately 4 to 6 months for a new employee to acquire the qualification of the lead assessor (in accordance with one standard to be applied during the accreditation or in one assessment field). During this time, the employee is not entitled to perform the assessment individually and thus may not fully participate in the assessment processes. In case of the change or absence of employees, especially in the fields in which only two employees are qualified, the Agency is not able to delegate the duties, and the conformity assessment bodies might not receive the accreditation services in a timely manner.

The Agency is an off-budget institution the revenues of which consist of the fees for the services provided. Consequently, the budget of the Agency directly depends on the amount of services provided, and the amount of services, in turn, depends on the number of employees and their capacity to carry out assessment activities in different fields, as well as to replace an employee in case of his change or absence. Thus, the Agency must regularly review and minimize the risks that may affect the performance outcome and ensure constant planning of competences, distribution of duties, planning of work tasks and control of the work performance.

The aim of the Agency consists in creating a system, implementing a specific set of measures, that will ensure sufficient number of employees, uniform distribution of competences consistent with the percentage of the accredited bodies and the bodies to be accredited in a specific field, as well as mutual replaceability, and will facilitate the flexibility of the Agency when recruiting a competent staff.

Remuneration system

In the Agency, the remuneration of the employees is determined in accordance with the principles of the single remuneration system applicable to the national civil service and public administration bodies, pursuant to the restrictions outlined in the respective regulatory enactments.

Having evaluated the remuneration system of the Agency, it can be concluded that it is not flexible enough, and it does not contain any incentives, thus rendering it impossible for this remuneration compete with the remuneration offered in the private sector, creating the staff turnover risk and hindering the attraction of new professional staff. Consequently, it is necessary to use an equal approach when determining the remuneration, as well as to implement incentive principles, which would allow for the improvement of the qualitative and quantitative performance indicators of the employees.

Development of the competences of the employees and the technical experts (assessors)

The main objective of the Agency consists in assessing and accrediting conformity assessment bodies and monitor their operation. The assessment process is performed by the assessment group comprised of the lead assessor and the technical expert (or experts).

According to the existing system, the lead assessors are permanently employed by the Agency, and it is their duty to evaluate the quality management system of the conformity assessment bodies, while the technical experts are employed based on contractual relations, and it is their duty to ensure the technical competence of the assessment group.

The Agency as the signatory of the Multilateral Recognition Agreement of the European Cooperation for Accreditation must comply with the requirements laid down in the standard LVS EN ISO/EN 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies, while carrying out its activities, including, inter alia, the requirement to ensure a sufficient number of competent employees and technical experts with the competences defined in the standard LVS EN ISO/EN 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies.

In the light of the aforementioned, the Agency must create a system for the development of the competences of employees and technical experts, within which the potential employees, staff and experts would be trained with regard to the assessment principles, risk-based assessment principles, practice and techniques, management system principles and tools, rules of accreditation, requirements for accreditation and accreditation schemes, applicable documents, other procedures and methods used by the conformity assessment bodies, requirements for conformity assessment laid down in the respective regulatory enactments, business environment, processes and practice of the conformity assessment bodies, as well as the ability to draw up reports and make notes, conduct meetings and interviews, assessment management skills and other competences outlined in the standard LVS EN ISO/EN 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies.

Improvement of the process of attracting technical experts and assessors

The technical competence required to provide accreditation services in all assessment fields is ensured by the technical experts and assessors recruited by the Agency. The Agency has created a database of technical experts and assessors, from which the relevant experts for each assessment process are selected.

Pursuant to the requirements laid down in the standard LVS EN ISO/EN 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies, the customers of the Agency are entitled to refuse the experts proposed by the Agency, stating the reasons for such refusal. In this case, it is the responsibility of the Agency to propose other experts competent in the specific field. Furthermore, an expert is not allowed to participate in the assessment process in cases where there is a potential conflict of interests towards the body to be assessed. Due to the aforementioned reasons and other circumstances, a significant lack of experts in several fields to be assessed and a lack of willingness by the specialists to participate in the activities carried out by the Agency can be observed in the practice. In the light of the aforementioned, the aim of the Agency consists in strengthening its capacity and actively attracting new experts both in Latvia and abroad. The Agency should establish closer cooperation with the accreditation bodies in other countries, especially in the Baltic and Nordic countries, and encourage the national and international experts to participate in the assessment processes performed by the Agency, developing an incentive system for the experts, highlighting the importance of their work and raising their prestige.

4. Financial Resources

The budgetary request by the Agency is drawn up in accordance with Section 41, Paragraph 1¹ of the Law on Budget and Financial Management. The Agency's budget for the year 2019 was approved with the Cabinet Ordinance No. 661 "On the Approval of the Budget of State Agency "Latvian National Accreditation Bureau" for the Year 2019" of 12 December 2018.

The budget is designed in accordance with the accrual and cash flow principle, on a going concern basis, as well as according to the accounting records classified pursuant to the regulatory enactments applicable to the accounting and budget classification in budgetary authorities.

The Agency's budget is structured in accordance with the functions of a national accreditation body outlined in the Law on Conformity Assessment, the Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93, as well as Cabinet Regulation No. 673 "Regulations on the Assessment, Accreditation and Monitoring of Conformity Assessment Bodies" of 17 December 2019.

Pursuant to Section 14, Paragraph 3 of the Law on Conformity Assessment, the accreditation system shall be financed from the State budget and revenues from the fee-based services provided. The fee to be payable for the services provided by the Agency is established in the Cabinet Regulation No. 114 "Pricelist of the Fee-Based Services Provided by the State Agency "Latvian National Accreditation Bureau"" of 27 February 2018.

The revenues of the Agency mainly consist of accreditation services and the services related to the monitoring of the accredited conformity assessment bodies, the annual fee for the maintenance of the accreditation status, as well as the transfer by the Ministry of Economy utilized in accordance with Section 14, Paragraph 1, Clauses 5, 6 and 7 of the Law on Conformity Assessment.

Breakdown of the revenues and expenditure of the Agency

Classification code of revenues, expenditure and the financing	Name of the classification code	Year 2019 (EUR)	Year 2020 (EUR)	Year 2021 (EUR)	Year 2022 (EUR)
17000-21700	RESOURCES TO COVER THE EXPENDITURE	694 350	718 125	734 560	734 560
21100	Revenues from foreign financial assistance	–	11 000	–	–
21300; 21400	Revenues from fee-based services and other own revenues – total	669 790	682 565	710 000	710 000
17000; 18000; 19000	Transfers	24 560	24 560	24 560	24 560
18000	State budget transfers	24 560	24 560	24 560	24 560
18300	Transfers received from the State budget by the derived public entities partially financed from the State budget and off-budget institutions	24 560	24 560	24 560	24 560
18310	Transfers received from the State budget by the derived public entities partially financed from the State budget	24 560	24 560	24 560	24 560

	and off-budget institutions for a specific purpose				
18311	Transfers received from the State budget by the derived public entities partially financed from the State budget and off-budget institutions for a specific purpose, from the budget of a ministry or central public administration authority to which it is subordinated	24 560	24 560	24 560	24 560
1000-9000	EXPENDITURE – TOTAL	623 855	939 125	834 560	834 560
1000-4000; 6000-7000	Maintenance expenditure	623 510	906 225	824 560	824 560
1000-2000	Current expenditure	623 510	906 225	824 560	824 560
1000	Remuneration	508 580	681 844	690 000	695 000
2000	Products and services	114 930	224 381	134 560	129 560
5000; 9000	Capital expenditure	345	32 900	10 000	10 000
5000	Formation of the fixed capital	345	32 900	10 000	10 000
[17000-21700] - [1000-9000]	Financial balance	-250 897	-221 000	-100 000	-100 000
F 00 00 00 00	Financing	250 897	221 000	100 000	100 000
F 21 01 00 00	Cash	250 897	221 000	100 000	100 000
F 21 01 00 00 1	Increase (-) or decrease (+) in changes in cash balances of fee-based services and other own revenues	70 495	200 000	100 000	100 000
F 21 01 00 00 2	Increase (-) or decrease (+) in changes in cash balances of foreign financial assistance	–	21 000	–	–

5. Strategic Risks of the Agency

The strategic risks of the Agency outlined below may significantly affect the achievement of the aims laid down in the Strategy.

Risks related to the performance of conformity assessment:

- improper performance of conformity assessment;
- misleading of the Agency.

Risks of international derecognition of the Agency:

- failure to comply with the requirements laid down in the standard LVS EN ISO/EN 17011:2017 – Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies.

Reputational risk:

- negative external rhetoric;
- declining levels of public confidence;
- failure of the employees to act in good faith.

Risks of changes in the regulatory enactments:

- measures to be taken with regard to the regulatory enactments without a sufficient funding and a reasonable term;
- significant impact on the operational efficiency;
- significant impact on customer satisfaction and proper conformity assessment.

Risk of resource scarcity:

- decrease in the number of employees and inability to attract new professional staff;
- lack of qualified employees;
- turnover of employees;
- delegation of new tasks and functions without a sufficient funding.

Impartiality-related risks:

- political instability in the country;
- crisis in the current processes of society.

Minister for Economy

J. Vitenbergs

Submitted by:

Minister for Economy

J. Vitenbergs

Endorsed by:

Acting Secretary of State,
Deputy Secretary of State

E. Valantis

Anda Stiebre 67013019
anda.stiebre@em.gov.lv