

ENABLING ENTERPRISE EXCELLENCE



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> Overview

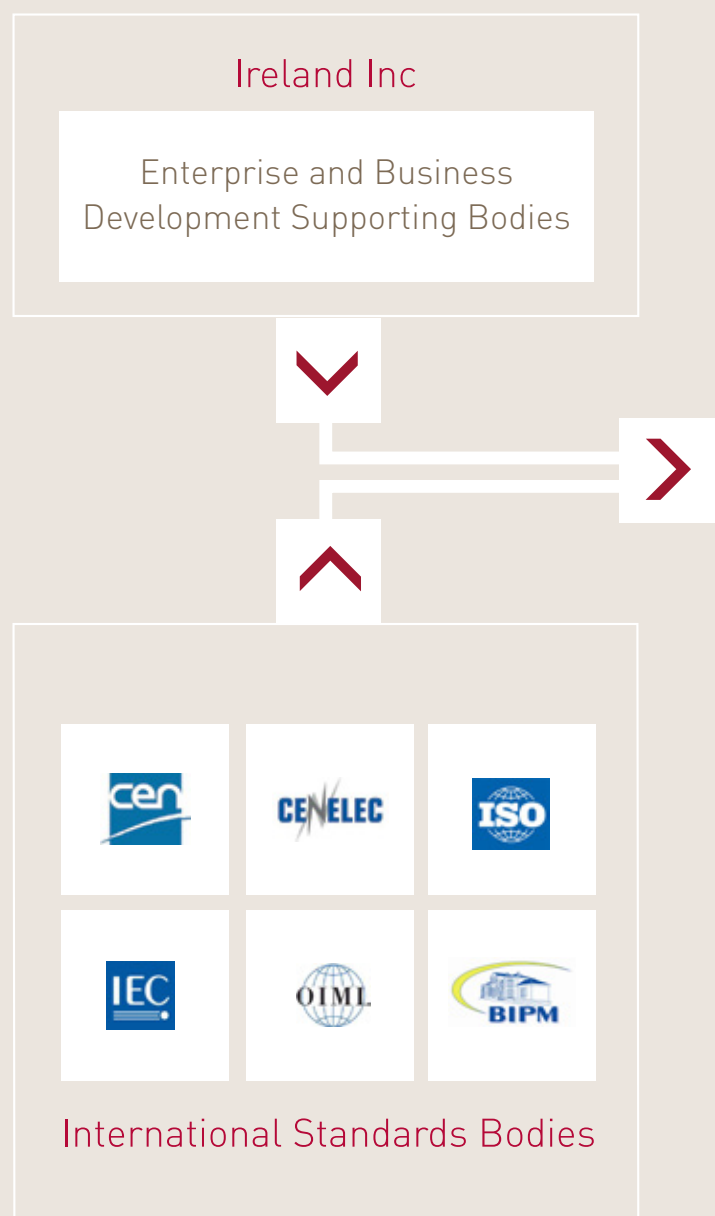
The Irish business, which has invested in certifying its product or service to standards will win hands down, every time, over the one that hasn't.

Mission

NSAI enables Ireland to effect best international standards across all business practices and protects Irish consumers by setting regulatory standards and enforcing measurement accuracy.

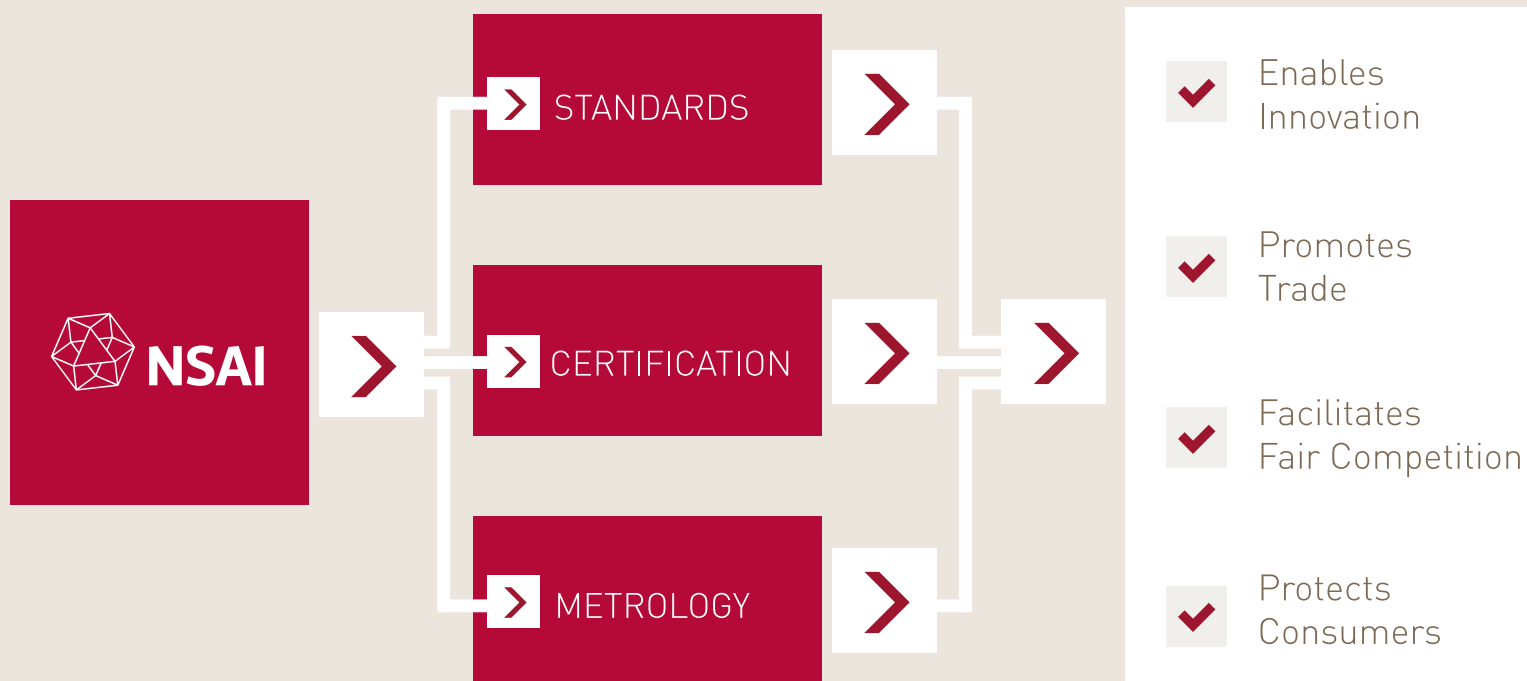
Vision

A dynamic organisation using measures and standards to benefit society and give Irish enterprise a global advantage.





We depend on standards for everything to run smoothly, but most of the time we don't even notice. Most of the products we encounter in any one day along with the measures we accept in trade or in purchase transactions, are governed by standards. In order for Irish businesses to compete, they must be sustainable, and they must operate to the highest standards – those who buy our products and our services not only within our domestic market but also in Europe and internationally expect nothing less. Increasingly, certification to standards is becoming the expected norm for international trade and for inward investment.



NSAI is the national standards body for Ireland. Where the standard already exists, NSAI works with businesses to help them apply it. Where a standard may be needed, NSAI will work with relevant parties at national or international level to create the appropriate standard.

> Technical pillars for an efficient trading economy

The work of NSAI makes a positive contribution to our economy and to our society. In NSAI, we help businesses across almost all sectors of economic activity as we facilitate trade, the spread of knowledge, the dissemination of innovative advances in standards, and the sharing of good management and conformity assessment practices.

NSAI provides Ireland, a small and open economy, with an infrastructure for products and services to be developed, traded, and relied on nationally and globally. This infrastructure also facilitates decisions on Foreign Direct Investment (FDI), where organisations rely on developed standards and a conformity assessment infrastructure to achieve their objectives.

Legal Metrology

Consumer protection, measurements and measuring instruments used in trade

Metrology

Scientific and Industrial Metrology establishes accurate, reliable, traceable measurements as a basis for performance requirements in standards.





NSAI deliver an infrastructure for business through the core programmes of standardization, scientific and industrial metrology, legal metrology and conformity assessment, all of which contributes to enabling trade and protecting the consumer.

Accreditation (INAB)

Demonstration of competence of testing and calibration laboratories, certification bodies and inspection bodies.



Standardization

Standards facilitate trade, provide a basis for technical regulation. Developed by international, regional or national standards bodies.



Conformity assessment

Sampling, inspection, testing and certification.



Efficient trading system

Reduction of unnecessary variety, interoperability, economies of scale, quality assured, consumers empowered to demand fit-for-purpose products and services that conform to standards.





Chairman's Statement



In what has been another challenging year for the economy, the importance of standards has never been greater as Irish business continue to operate under the uncertainties of national and international economies. During 2012, the Authority focused its activities on the Open Market Infrastructure and delivered on a wide ranging work programme across its standards, metrology and conformity assessment services. While under the Governments Action Plan for Jobs 2012, NSAI delivered on 8 actions ranging from the Medical Devices certification to HR resource practices. Our services spanned a wide range of industry sectors and the following annual report provides further detail on the areas of activity for the year.

During the year the value of standards was further substantiated by a survey¹ of businesses that use standards, which found that 80% reported benefiting from the application of standards, while there was broad agreement that standards are highly valued by multinationals. It was also reported that standards are becoming pre-requisites in tender situations, with 75% agreeing that the companies using standards have stronger reputations enabling easier access to the international markets.

The outlook for 2013 remains challenging as resourcing constraints continue, yet with the completion of the strategic plan 2013 – 2015, we believe that the organisation will be well placed to meet these challenges and continue to provide leading services that enables enterprise and protects the public.

In accordance with the provisions of the NSAI Act 1996, three members of the Board retired during 2012 and on behalf of the Board I would like to thank Mr. David Gargan, Mr. Des O'Loughlin and Ms. Mary Ita Walsh for their commitment and contribution to the achievements of NSAI during their tenure on the Board.


In this my final statement as Chairman, I would like to express my deep appreciation to all Board members, both past and present, for their commitment and professionalism in carrying out their responsibilities as directors during the time of my Chairmanship. I am proud of the fact that NSAI complies with the highest level of corporate governance and would like, in particular, to thank our Company Secretary for ensuring that these standards were maintained during my term.

“Standards are becoming pre-requisites in tender situations, with 75% agreeing that the companies using standards have stronger reputations enabling easier access to the international markets.”

Under the leadership of the Chief Executive, NSAI has delivered on all of its strategic goals during my term and I would like to sincerely thank him and the staff of NSAI for their professionalism and commitment to the values of the organisation, which has been an essential element in these achievements and the ongoing development of Ireland's trade infrastructure.

On behalf of NSAI I would like to thank the Minister for Jobs, Enterprise and Innovation, Richard Bruton T.D., Minister for Small Business, John Perry T.D. and the officials at the Department for their support to NSAI throughout 2012. I also wish to thank all the other bodies, representatives of industry and committee members who have worked in partnership with NSAI to deliver on our strategic objectives. I would also like to take this opportunity to wish the incoming Chairman a successful and fulfilling tenure with NSAI.

Finally, in accordance with the provisions of the National Standards Authority of Ireland (NSAI) Act 1996, on behalf of the Board and Authority I present the Annual Report and Accounts for year ended 31 December 2012.



Ann Riordan
Chairman

¹ NSAI - The Use of Standards – Business Survey 2012 of 351 Managing Directors and CEO's of Irish Businesses



CEO Report



NSAI works to four strategic pillars. These were established in our 2009 – 2012 Strategic Plan, and they have helped the NSAI to develop a quality infrastructure that is designed for the benefit of business, government bodies and the consumer.

The dominant pillar is Open Market Infrastructure, which has remained at the heart of our efforts to support and boost the Irish economy. Challenging economic conditions remained but the economy demonstrated some signs of stabilisation. In this environment we made considerable headway.



It is important to emphasise the role that a well functioning quality infrastructure plays in our economy. Such an infrastructure offers companies a variety of tools to help them open up markets and manage the infrastructural challenges involved in doing business. It is highly relevant, from an Irish perspective, that four of the five building blocks, or elements, needed to form the infrastructure for an efficient trading system are managed by NSAI: Standards, Conformity Assessment (through Certification), Metrology and Legal Metrology.

In most EU countries these five elements fall under different bodies. By managing four, NSAI gives a more effective and coordinated service, enhancing collaboration, timeliness and relevance. It also offers a more flexible infrastructure, thereby benefitting the entire economy. Our goal is to make each quality infrastructure element as responsive as possible to the needs of Irish-based businesses.

To many, these elements are a hidden part of an economy's operations, but they are vital nonetheless. They link together to form a tried and tested foundation for business, government and the consumer. They play an essential role in all areas of economic and social activity: from education, where the importance of standards is introduced to the decision makers of tomorrow, to building overseas relationships, where co-operation with national and international bodies, has enhanced our knowledge and broadened our horizons.

“Standards have delivered very positive benefits for business in recent years. A number of economic studies by ISO and national standards bodies around the world estimate the value of standardization to economic growth at up to 1% of GDP.”

Our services are delivered through NSAI's three functions of Standards, Conformity Assessment and Metrology. These focus on presenting business with the foundation on which to build and grow. The activity around our three functions demonstrated important change in 2012, as we responded to market needs, pursued proactive policies and implemented new EU regulations. The turmoil endured by Irish and global economies in recent years continued to affect business, but there is a sense that companies are now looking to rebuild and NSAI's role is to provide the tools to help them stabilise and grow.

Standards

Standards have delivered very positive benefits for business in recent years. A number of economic studies by ISO and national standards bodies around the world estimate the value of standardization to economic growth at up to 1% of GDP. In 2012, in Ireland, there was evidence that standardization was growing in importance to companies: a survey, conducted for NSAI, revealed that almost seven in ten companies in Ireland use standards at some level,

with a majority of those surveyed agreeing that companies who apply standards are more likely to be successful in the long run.

The results are a vindication of the value of NSAI's work despite difficult economic conditions. NSAI will build on this in 2013, and will be helped by the new EU Regulation on Standardization. This new regulation was published in October 2012, in recognition of the importance that standards have for economic growth and competitiveness. Developed as a major initiative it will focus on enhancing the use of standards in the service sector and speed up the development process for information and technology standards. In turn, this will encourage the rapid spread of best practice and innovation. Importantly, the regulation will strengthen the existing standardization system and promote standards by establishing rules on co-operation between the various standardization bodies in the system, at national and EU levels. It will encourage SME participation, which is still seen as a lynchpin to economic growth, and provide a timely boost to NSAI's Your Standards, Your Say.

> CEO Report (continued)

“NSAI contributed strongly to the Action Plan for Jobs during the year by delivering on over 90% of the measures set out for the Authority by the Government.”

SWiFTs are a key NSAI innovation, which were introduced to 'fast track' specifications and codes. Introduced in 2012 in conjunction with the Irish Internet Association, SWiFT 10 has become an important reference document on Cloud Computing. Not only does it respond to business needs in the rapidly evolving technology world, but it also overlaps with the Government's Action Plan for Jobs. SWiFTs are a constant reminder of the need to be proactive and that a quality infrastructure must evolve as demands dictate. This responsiveness was in evidence late in 2012, with the national problem of pyrite contamination.

Pyrite contamination was found in hardcore materials on several Irish building developments. Mr. Phil Hogan T.D., Minister for Environment, Community and Local Government, announced the establishment of an independent Pyrite Panel to address the issue. NSAI was one of the many bodies tasked with delivering an appropriate guideline to tackle the problem. Once this document had been drafted, NSAI quickly realised that the optimum response was not the requested guideline document,

but a far more comprehensive Irish standard.

Due to the urgency involved, NSAI fast tracked its standardization process, through NSAI Standards. As a result, two Irish standards were delivered in less than six months, demonstrating how we use our expertise to respond to national issues. The standards will be published in January 2013.

Conformity Assessment

Certification delivers the highest volume of activity for the NSAI, and it is very rewarding to report that there has been positive growth in 2012. The introduction of Excellence Through People was met with an encouraging response from business, while a radical rationalisation of medical devices approval in Europe has presented us with significant opportunities. In a sector identified by Government as a priority area, NSAI has placed itself into a strong position Europe-wide. Under this rationalisation the 80 or so notified bodies for medical devices will reduce to below 40 and NSAI intends to emerge stronger from this process. The development of a Galway regional office has also reinforced our purpose.



In 2012, NSAI strengthened its programmes in the food and agricultural sector by receiving accreditation to certify for the international Food Safety System Certification (FSSC). This is seen as a considerable growth area and the Irish food industry is well regarded worldwide for its high standards and excellent performance delivery. In an industry with many different requirements, across many different sectors, this ability to achieve certification will be of critical importance to companies looking to expand their business at home and abroad.

NSAI's conformity assessment work falls into distinct brackets, but our work has always been on a broad scale. We develop and encourage new initiatives that support businesses in Ireland. One such initiative supported by NSAI was 'Quality Ireland' on LinkedIn. Ireland has a strong tradition of quality, such as ISO 9000, and this LinkedIn forum brings together a range of quality experts to share experiences and expertise as well as promoting best practice. Such ventures reflect NSAI's goal to enhance business performance.

Metrology

The role of Metrology remains undiminished by economic conditions. Our goal is to work with businesses to resolve their metrological problems. An example is the crucial area of blood banks where the accuracy of measurements and storage temperatures is absolutely vital. Our efforts focus on protecting the consumer and giving businesses a greater appreciation and understanding of how metrology works. NSAI offers benefits to business through our training and consultancy services, audits and technical support. This activity expanded during the year as we supported a higher number of businesses than ever before.

“NSAI offers benefits to business through our training and consultancy services, audits and technical support.”

Enforcement is another crucial element of NSAI's work, and 2012 saw the prosecution of a Farmer's Co-op, as well as a successful campaign targeting livestock marts.

Given the environment we face, our services evolve constantly as market forces change and we prepare to face new challenges and opportunities, such as the EU Regulation on market surveillance.

Action Plan for Jobs

The first annual Action Plan for Jobs was launched in February 2012. The Government's plan, which contains over 280 measures, is to rebuild the economy and create jobs by improving supports for job-creating businesses and removing barriers to employment-creation. During 2012, these actions were implemented by all 15 Government Departments and 36 State agencies, including NSAI.

NSAI contributed strongly to the Action Plan for Jobs during the year by delivering on over 90% of the measures set out for the Authority by the Government. These were achieved through the strength of the underlying foundation that is our quality

infrastructure. This is an essential part of the NSAI initiatives within the plan and sets the groundwork for growth over the medium term.

Elsewhere, within the Programme for Government, NSAI reduced its staff numbers to the target set under public sector reform. In the coming years we will continue to support and implement policies aimed at job-rich economic growth.

Strategic Plan 2013-2015

NSAI's new strategy was developed during 2012, following an extensive process of consultation with staff, departments and outside bodies, from business to Government (including the Department of Jobs, Enterprise and Innovation). Our work to build a quality infrastructure which supports enterprise and helps the economy to stabilise and recover remains our core purpose. To that end, we concluded that refining the measures and objectives set out under our four strategic pillars offered the most direct way forward in the medium term. This is supported by the green shoots of growth seen over the last three years, which has encouraged us to maintain our course and

> CEO Report (continued)

“The new Strategic Plan will help NSAI pursue its vision of being a dynamic organisation that uses measures and standards to benefit society, enable business and give Irish enterprise a global advantage.”

develop our programmes further. There is additional evidence from other countries, in areas such as Standardization, that supports a commitment to developing this quality infrastructure.

The new Strategic Plan will help NSAI pursue its vision of being a dynamic organisation that uses measures and standards to benefit society, enable business and give Irish enterprise a global advantage.

Financials

In difficult economic conditions we maintained income levels from our conformity assessment, metrology and standards sales services at €18.6m and reported an operating surplus of €0.3m for 2012.

In the climate of financial constraint a limited capital expenditure programme of €0.5m on vehicles, technical and ICT equipment was undertaken.

Communications and Awareness

Communications and awareness activity continues to play an important role in reaching out to business and the public. The approach of using client testimonials continued in 2012, drawing visitors to the NSAI's website, while awareness campaigns continued to promote standards and issues of public interest.

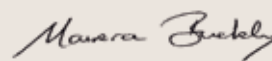
Conclusion

I am very pleased with our progress during the year and our quality infrastructure playing an ever-increasing role in Ireland's drive towards economic recovery. There have been many changes in 2012, with more to come next year: the new EU Regulation on Standardization will affect the way that NSAI conducts its business, presenting both challenges and opportunities.

In 2013, the construction products industry will see a seismic shift as mandatory CE Marking for construction products comes into effect. NSAI's Certification division laid the groundwork for the introduction for this new Construction Products Regulation in 2012, which will be of vital assistance to the Irish construction industry in the years ahead.

I particularly wish to acknowledge the contribution of the entire NSAI team, without whom we would not have delivered successfully on our objectives and Government targets. Our new Strategic Plan will call for even higher levels of effort and dedication, and I am confident that as an organisation we can deliver on our new plan.

I would like to thank our partners in industry and in the Department of Jobs, Enterprise and Innovation for their support, and also extend my thanks to the NSAI Board and management for their hard work during the year.



Maurice Buckley
Chief Executive Officer

Action Plan for Jobs



The Government's first annual Action Plan for Jobs was launched in February 2012. The Government's plan contained 280 measures to rebuild the economy and create jobs by improving supports for job-creating businesses, while also removing barriers to employment-creation across the economy. During 2012, these actions were implemented by all 15 Government Departments and 36 State agencies, including NSAI.

Action Plan for Jobs 2012 was the first installment in an ambitious multi-year process. The goal of this process is to deliver on the Taoiseach's commitment to make Ireland the best small country in the world in which to do business, and increase the number of people at work in Ireland by 100,000 – from 1.8 million to 1.9 million – by 2016.

In 2012, NSAI was tasked with carrying out 8 of the 280 measures, spanning several areas of NSAI's work. The measures include:

- Enhancing indigenous performance by;
 - Raising awareness, particularly amongst SMEs, of the importance of process improvement to reduce the cost of poor quality, increase productivity, competitiveness and sustainability and create more jobs, via public seminars and other activity.
- Assisting indigenous business to trade
 - Promote the achievement of international standards such as ISO 9001, and similar management standards, as an essential business strategy in response to the continuing commercial pressures being experienced by Irish companies.¹

- Support companies to develop best HR practice and standards for improved talent development and retention.
- Develop an Irish expert group responsible for industry standards best practice and increase participation by Irish firms and researchers in relevant international standards expert groups.
- Grow employment in the indigenous measuring instruments service sector by undertaking a further roll-out of the authorised verifier scheme.
- Provide expert assistance to targeted companies in challenging process measurement/metrology applications.
- Support the development of Ireland as a Global Centre of Excellence for the Medical Device industry by providing a local high-quality, wide-scope, responsive CE mark certification service.
- Develop a Cloud computing Procurement text with industry experts through an NSAI Standards group.

Quarterly reviews of the progress made by Government Departments and State bodies were conducted by the Minister and the Taoiseach, emphasising the Government's commitment to the plan. NSAI provided detailed updates demonstrating that 90% of measures had been accomplished by year end with the other 10% forming part of the 2013 measures.

Under the requirements for public sector reform, NSAI has achieved its headcount targets. These have seen staff numbers fall from 205 in 2008 (including NML), to 154 by the end of 2012. Despite this reduction of 24%, NSAI continues to provide the same services and, in support of the Action Plan for Jobs, NSAI's fees and charges to business did not increase in 2012.

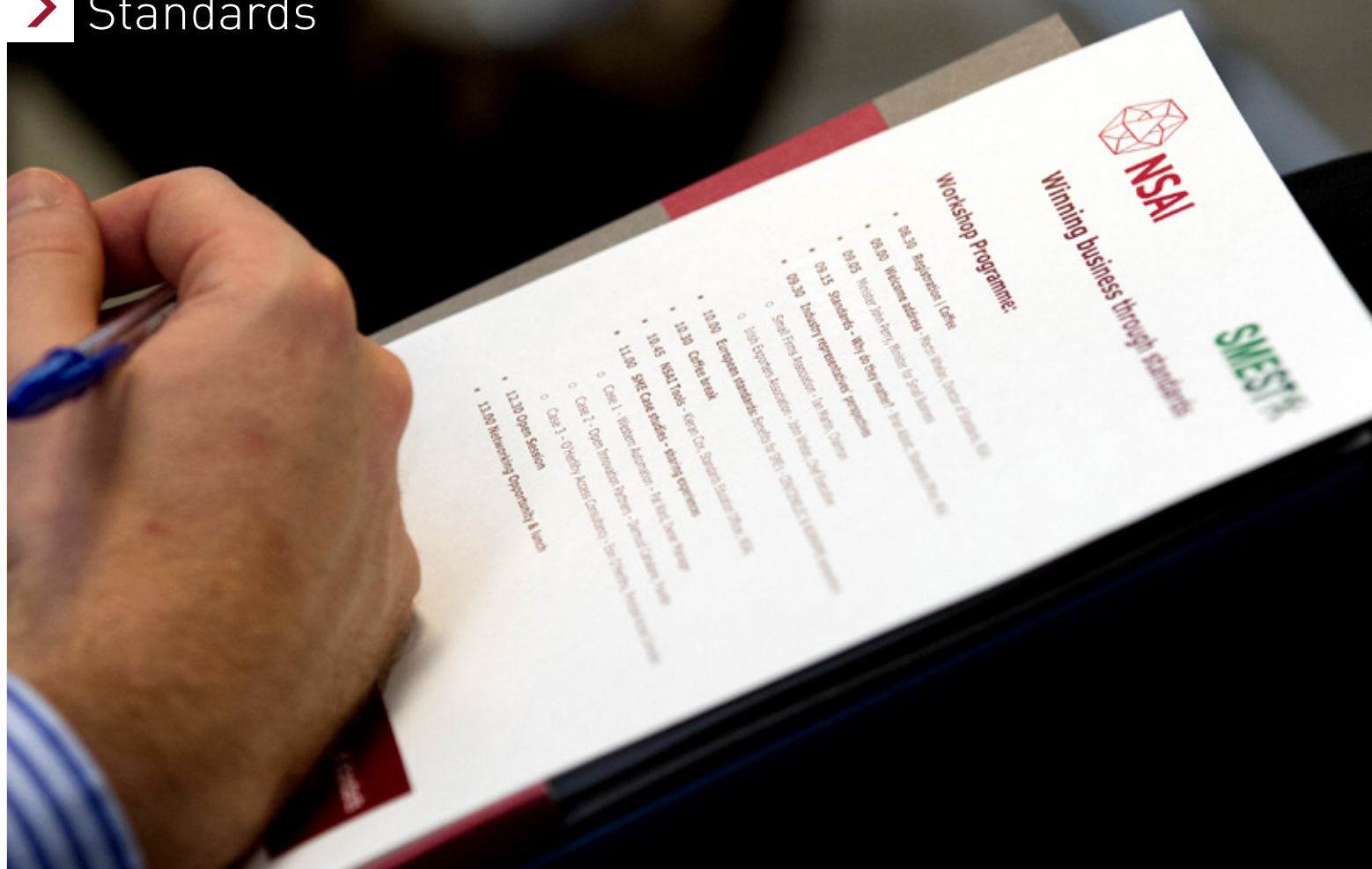
NSAI's quality infrastructure support consists of the three services of Standards, Conformity Assessment and Metrology. These feed into many background measures that support this plan over the medium term, and the NSAI is promoting the importance of this quality infrastructure across as many initiatives as possible.

1. A recent Harvard study of 1,000 Californian companies has shown that ISO 9000 adopters have a greater chance for survival, suffering less "firm deaths" than non-ISO adopters. In addition, adopter organisations had higher growth rates for sales, employment, payroll and average annual earnings. Sales were close to 10% higher and there was higher employment growth at ISO certified workplaces. In years one to three after certification, there was a 6% growth in employment. This rises to 32.5% growth in year's seven to nine.

[Source: Harvard Business School, Quality management and job quality: How the ISO 9001 standard for Quality Management Systems Affects Employees and Employers, David I. Levine & Michael W. Toffel, January 2010].



Standards



NSAI Standards is the internationally recognised National Standards Body (NSB) for Ireland. It is responsible for the publication, promotion and sales of standards, but its core role is the coordination of Irish industry participation in the development and production of Irish, European and global standard specification documents.



The adoption of common international standards creates a level playing field for Irish businesses selling into European and global markets. Standardization helps Irish companies to trade from Ireland's open economy into world markets. This immediate and unhindered access is particularly important as the economy continues its recovery efforts. By operating a national consultative infrastructure, which provides enterprise with participative access to the standards development processes, NSAI Standards supports Government policy under a number of headings, including:

- **Exports:** As an export driven economy, the Irish recovery must be export-led. It is essential that the standards adopted by Irish enterprises are those that are recognised and accepted globally within their sector and, ideally, help Irish enterprises gain first mover advantage as new standards emerge. In order to facilitate the export market a large part of NSAI Standards' work is focused at the international level, developing standards with our partners in ISO and IEC. To that end, participation in standardization provides enterprises with: valuable advance information on draft specifications that are likely to form the basis of future published standards; and the ability to shape and influence the content of these standards at an early stage. Ultimately, this provides improved access to markets and supply chains which are important for export-led growth.
- **Innovation & Commercialisation:** A primary aim of Government is to develop a sustainable innovation driven economy that maintains its competitive advantage and increases productivity. While innovation has traditionally been seen as technology-led, it is today seen in a broader context. Innovation is now described as the exploitation of new ideas in pursuit of competitive advantage. This includes the development of new or enhanced products and services, but

“By operating a national consultative infrastructure, which provides enterprise with participative access to the standards development processes, NSAI Standards supports Government policy under a number of headings”

also includes the introduction of new business models, new organisational structures and new work practices. Standardization is the core component in codifying, capturing and commercialising the advances achieved in order to build and sustain a knowledge-based, smart economy.

- **Supporting SMEs:** 2011 saw the publication of the report of the Advisory Group for Small Business. The report captures the importance of small firms to the Irish economy: some 200,000 small firms employ over 650,000 people. These firms operate across a broad spectrum of sectors and activities, including software, medical technologies, food production, digital content, tourism, retail and wholesale businesses, and professional services. Many operate with limited resources in environments where observance or reliance on standards is a basic entry level requirement. Many SMEs aspire to move from being a 'standards taker' to a 'standards maker', thereby exploiting the potential of standardization to grow their business more rapidly.

Through the cross section of services provided, there are numerous entry points for SMEs to engage with NSAI, and NSAI Standards can help these firms to leverage the benefits of standards for their sector. This is primarily achieved through a free and accessible standardization development process, with its immense market intelligence potential.

Services are also being enhanced through specific information initiatives for the SME sector. The Your Standards Your Say online comment facility, in respect of technical documents and standards at development phases, has been a watershed in enhancing the consultation process.

As the European trade infrastructure continues to emerge through the New Approach Directives and Harmonised Standards, the ability to influence the content of standards is of significant benefit to Ireland. The potential opportunity for Irish-based companies to engage in product and service development and export-led trade is growing as technical barriers to trade are reduced.

➤ Standards (continued)

“During 2012, NSAI facilitated over 50 committees with in excess of 1,500 experts who gave their time freely to ensure Ireland’s contribution is represented in the international standards committees and the extensive range of standards documentation published during the year”

However, to take advantage of this, Irish companies must effectively and with the minimum of bureaucracy meet their responsibilities under EU and international technical regulations which, under modern best practice, reference and rely on technical standards relevant to each sector.

The influence of standardization increased further in 2012 when two years of work by the EU, and national standards bodies came to fruition with the publication of the EU Regulation on Standardization. The EU has long acknowledged that standards are a vital mechanism to make Europe more competitive. This important new Regulation will strengthen the existing standardization system and promote standards and their use in areas such as innovation, R&D and SMEs. It will change the way that NSAI conducts its business in the years ahead, presenting both challenges and opportunities.

Consultative Committees

Through international rules, Ireland has an equal voice to that of much larger countries in the international standardization process and NSAI Standards formulates the national input through consultation with various interested consumer, environmental, industry and government parties. NSAI Consultative Committees are appointed under Section 10 of the NSAI Act, 1996, to perform the following functions:

- to advise NSAI, as requested, on what Irish Standards and codes of practice are necessary for products and processes, within the scope of the Committees;
- to draft appropriate standards and codes of practice, and amendments, for adoption by NSAI;
- to ensure that interested parties in Ireland are consulted in the drafting of these standards.

During 2012, NSAI facilitated over 50 committees with in excess of 1,500 experts who gave their time freely to ensure Ireland’s contribution is represented in the international standards committees and the extensive range of standards

documentation published during the year (Fig. 1). These experts also benefit their own organisations through exceptional access to the network of industry experts (researchers, potential customers, competitors and suppliers), the resulting early access to new standards under development and the ability to influence market-shaping standards for the future.

STANDARDS – THE YEAR IN REVIEW

OPEN MARKET INFRASTRUCTURE

1,600 Standards Published

NSAI published over 1,600 standards (Fig.1) to maintain a library of standards publications that is now in excess of 23,000. Over 12,000 publications were sold across a broad range of sectors in the same period.

The top three selling standards in Ireland were:

- I.S. 340 – Hygiene in the Catering Sector
- I.S. 813 – Domestic Gas Installations
- I.S. 3217 – Emergency Lighting

In an economy that operates on a global scale, most of NSAI’s Standards reflect an international perspective. There are, however, specific scenarios where a national standard is required, such as product standards to protect and benefit the consumer. In August, NSAI published two new Irish Standards, in response to safety concerns regarding window blinds in the home. The focus of these concerns was the cords used to raise and lower the blind as loop cords posed a safety risk for young children.

The two national standards published were:

- *I.S. 386: Safety of Corded Window Products; Guidance for procurement, measuring, manufacturing, installation and retrofitting.* This standard provides guidance to those who may be involved in the purchasing of internal window blinds, such as Government agencies, childcare centres, schools, libraries, wholesalers, retailers, installers and consumers.



- **I.S. 387: Internal Corded Window Products – Safety Requirements.** This standard specifies the safety requirements for internal corded window products that are currently not covered by I.S. EN 13120: *Internal blinds – Performance requirements including safety* in relation to the manufacture of internal window blinds including safety in use requirements.

The European Standard, EN 13120: *Internal Blinds; Performance requirements including safety*, has existed since 2004. After a number of tragedies involving young children in Ireland, NSAI developed broader safety requirements, not specifically covered by the European Standard. By introducing Irish Standard I.S. 387, additional safety requirements have been established. The European Standard is now being revised incorporating the requirements of the Irish Standard and I.S. 387 will be withdrawn once the revised European wide standard is published and adopted as an Irish Standard.

ENHANCED BUSINESS PERFORMANCE

SWiFT

The introduction of SWiFT (Specification Written in Fast Track), by NSAI, was designed to speed up the often protracted process behind international standardization. Irish businesses have used SWiFTs successfully for four years, recognising that they expedite specifications and codes, and help to ensure a standard of consistency in products and services. During 2012, two SWiFTs were published:



At the launch of SWiFT 9 are Minister of State, Fergus O'Dowd, T.D. and members of the NSAI Accessibility Standards Technical Committee

• SWiFT 9

In February, NSAI published the world's first standard on universal design for energy providers' products and services focusing on all end users ensuring access to information and services. SWiFT 9 (Universal Design for Energy Suppliers) was developed in conjunction with the National Disability Authority Centre for Excellence in Universal Design (NDA/CEUD), CER (Commission for Energy Regulation) and key energy suppliers.

SWiFT 9 covers written, verbal and electronic based communication, using the concept of Universal Design as its benchmark. This is the degree to which a product or service is usable by as many people as possible.

Standards play a pivotal role in making the world accessible, from technologies that are user-friendly for the hearing and visually impaired, to products that can be used easily by the elderly or those with disabilities. The guidelines set out in SWiFT 9 demonstrate how energy suppliers in Ireland can put the needs of all customers first and foremost when developing their products, services and communications.

• SWiFT 10

In May, NSAI launched a new Action Plan for Jobs backed Standard to provide guidance to businesses on moving to Cloud computing. A central part of the Government's plan for jobs and growth is targeting key sectors where Ireland has competitive advantages and the potential to foster

Fig. 1 Standards Documents published in 2012 (Ref: Appendix on page 59)

	Standards	Corrigendum	Amendment	S.R.	Interpretation Sheet	SWiFT
CENELEC	349	34	72	8	1	0
CEN	914	31	51	154	0	0
ISO/IEC	4	0	0	1	0	0
NSAI	3	0	0	1	0	2
Total	1270	65	123	164	1	2

➤ Standards (continued)



At the launch of SWiFT 10 are Maurice Buckley, CEO, NSAI, Richard Bruton, T.D., Minister for Jobs, Enterprise and Innovation and Joan Mulvihill, CEO, Irish Internet Association (IIA)

growth. One such sector is Cloud computing, where various studies have reported that Ireland has the potential to create high levels of growth and jobs.

Cloud services are reshaping the future of computing but concerns remain as to the lack of standards to guide its adoption and implementation. NSAI, in partnership with the Irish Internet Association (IIA), launched SWiFT 10 Adopting the Cloud. This standard will become the reference document for any company planning to move to the Cloud, by providing guidance to organisations on the various issues that need to be considered when pursuing such an option.

NSAI anticipates that SWiFT 10 will enable and encourage more Irish businesses to move to the Cloud in the years ahead, which is designed to give Ireland an early adopter and market advantage.

Innovation Lead Design for Competitive Advantage

NSAI and the National Disability Authority Centre for Excellence in Universal Design (NDA/CEUD) hosted a forum in March. This was designed to give practitioners, entrepreneurs, engineers, manufacturers, architects, innovators and legislators an opportunity to meet and engage with the members of the International Standardization Committee ISO IEC JTAG Guide 71. The focus of the forum was the development of standards for products, services and environments that are more accessible and, therefore, correlate more closely with Universal Design-related standards.

Winning Business Through Standards Workshops

In October, NSAI launched the first Winning Business Through Standards workshop. This was targeted at SMEs to provide an introduction to the inner workings of standardization. Participants learned the importance of being involved in standards development, at both a national and international level, and also the benefits of participation. Using NSAI

tools and search facilities, participants were also shown how to research standards for themselves.

The concept for these workshops came from the European Standards Bodies: CEN and CENELEC, with their SMEST (SME Standardization Toolkit) programme. The focus is that despite SMEs representing 99% of all businesses in Europe and employing over 90 million people, SMEs are less likely than larger companies to be actively involved in standards development. It is necessary, therefore, to identify ways to ensure that the needs of SMEs are taken into account in the standardization process, which involves standards bodies, associations representing SMEs and the SMEs themselves. Standards bodies, such as NSAI, are making sure that the needs of SMEs are systematically taken into account during the standardization process. This will help to ensure that standards are widely accepted by all stakeholders, including SMEs.

The first workshop was attended by 90 SME delegates from Irish industry and similar events are planned for 2013.

Risk Forum

A forum entitled: Risk Appetite and Risk Attitude: Setting Limits and Keeping within the Limits, was run to coincide with an ISO TC 262 Risk Management Committee meeting, held in Dublin. This was a unique opportunity for Irish risk practitioners to meet international experts in their field, and over 100 delegates attended. Presentations were on the theory behind ISO risk standards and the implementation of risk standards.



FOSTERING THE INNOVATIVE AND KNOWLEDGE ECONOMY

University and College Project

In 2012, the Joint Working Group on Education about Standards (JWG EaS) published its Master Plan on Education. This group is made up of the key European Standards bodies of CEN, CENELEC and ETSI.

Working alongside these bodies, and in conjunction with the JWG EaS, NSAI oversaw the development and maintenance of the group's online repository for education material. This is accessible free of charge by universities, colleges and schools on the CEN website, www.cen.eu. An ongoing programme of lectures also raises awareness of Standards and Standardization, and these are designed to introduce Standards and their benefits to the business decision makers of tomorrow. The objective of the programme is to stimulate an interest in, and understanding of Standards before the student reaches the workforce. In order to support these initiatives, NSAI continues to make the 'National Standards Database' available to universities and colleges. NUI Galway, University of Limerick and DIT already have full online access.

Standards Institute of Israel Visit

Through ISO and other international standardization bodies, NSAI and The Standards Institute of Israel (SII) have been engaging in the development of international Standards and associated information sharing on standards, enterprise and consumer confidence supports. Israel is the role model for a 'Knowledge Economy' and, in 2012, NSAI visited Tel Aviv with the goal of fostering relationships with SII. This will lead to the sharing of information relating to how Standards can support innovation and sustainability, and assist the NSAI's work to build a quality infrastructure to boost our economy.



Kevin Knight, Australia, Chairperson of ISO TC 262 Risk Management pictured at the NSAI Risk Forum.

A return visit by SII is planned for January 2013. This will focus on Irish innovation and sustainability efforts relating to alternative fuels and power generation, as well as the electric car programme run by the ESB.

Carbon Monoxide Awareness Week

Carbon Monoxide (CO) Awareness Week highlighted the dangers of CO and raised awareness amongst the public of important safety measures that can be taken. The campaign included television and print advertising, while energy suppliers sent out safety notices in their bills. Run in September, under the auspices of the CER, NSAI contributed by advertising the week on NSAI's website homepage and LinkedIn, issuing a press release on CO dangers and safety precautions, and conducting a number of radio interviews.

JPG Event Planning for 2013

For over 20 years Standards bodies from Europe and the US have met to promote dialogue on standards and conformity assessment. This focuses on supporting EU-US trade. The body

is known as ESO JPG – ANSI, and comprises the Joint Presidents Group (JPG) of the European Standards Organisations (ESO) – made up of the European Committee on Standardization (CEN), the European Committee for Electrotechnical Standardizations (CENELEC) and the European Telecommunications Standards Institute (ETSI) – and the American National Standards Institute (ANSI).

In 2012, NSAI invited ESO JPG – ANSI to hold their 2013 annual meeting in Dublin, during Ireland's Presidency of the Council of the EU. Representatives from US government agencies and standards development organisations, the European Commission and the European Free Trade Association (EFTA) have also been invited.

The primary goal of the meeting will be to maintain and intensify the collaboration between the international standards bodies, with a view to aligning standards to facilitate trade in both goods and services between Europe and the USA. This collaboration

> Standards (continued)



Patricia Callan, Director, SFA and Maurice Buckley, CEO pictured at the launch of the NSAI SME Portal.

is set to become increasingly important as the European Union and United States are about to begin negotiations on a Transatlantic Trade and Investment Partnership.

SME Portal

To support the continuing contribution of SME's to the Irish economy, NSAI launched in 2012 a new online resource called The SME Portal. The Portal will enable SME's to research current and relevant standards pertinent to their industry, provide information on the benefits of implementing standards for their businesses and allow SME's to have a direct say on thousands of Irish, European and international standards being developed that shape the market in which they operate. One of the most valuable aspects of the Portal is enabling SME's to gain access to over a thousand international standards working groups, where they can influence key industry decisions about their industry and thereby give themselves a real competitive advantage.

SUPPORTING SUSTAINABILITY

National Retrofit Programme

In 2012, NSAI commenced work on a Code of Practice (COP) for the National Retrofit Programme. This provides guidance on retrofitting a variety of solutions to reduce a dwelling's energy costs and increase its comfort. The project was requested by: the Department of the Environment, Community and Local Government (DECLG); Sustainable Energy Authority of Ireland (SEAI); and the Department of Communications, Energy and Natural Resources (DCENR).

The objective of the code is to provide training and a consistent standard of workmanship, to give guidance to designers of retrofit solutions, and to maximise the energy savings of an entire retrofit solution (as opposed to a piece by piece alternative).

The National Retrofit Programme aims to deliver energy efficiency upgrades to one million residential, public and commercial buildings in Ireland, over a 10 year period. This programme will

incorporate current grant programmes, such as those operated by the Sustainable Energy Authority of Ireland (SEAI).

SR 54 – Code of Practice – Methodology, for the energy efficient retrofit of existing domestic dwellings, will be published in early 2013. The COP addresses the energy refurbishment of fabric and services of Post 1940s low-rise dwellings.

Solar Heating Systems

NSAI also contributed to the development of an important standard for Solar Heating Systems, SR 50-2. The formulation of this standard outlines one way in which standards evolve.

NSAI worked with the DECLG and SEAI, and was directly involved in the drafting of the National Code of Practice for Solar Heating Systems. The standard started out as a guidance document, created over the course of 12 months of intensive group meetings, chaired by NSAI. Once the document was drafted, it was identified that this should be a Code of Practice standard.

The advantage for homeowners is that installers of solar heating panels, and the systems themselves, must comply with this documented Code of Practice. Importantly, Ireland now has a National document which the DECLG and SEAI can refer to in their regulations and schemes. SR 50-2 will also be used as a reference document during Agrément certification of a solar heating system.



PROFILE

Pyrite Standards

Pyrite contamination found in the hardcore material used to construct private dwellings in a significant number of houses in the area of north County Dublin, Kildare, Offaly and Meath is a serious issue for the owners of these homes. As a result, in September 2011, Mr. Phil Hogan T.D., Minister for Environment, Community and Local Government, announced the establishment of an independent Panel to address the issues arising from pyrite contamination.

The Report of the Pyrite Panel was published in June 2012, with a list of 24 recommendations. These fell under the responsibility of numerous bodies, including Irish Banking Federation, Irish Insurance Federation, CIF, Irish Concrete Federation, Building Control Authorities, Law Reform Commission, Financial Regulator, National Consumer Agency, Engineers Ireland, Royal Institute of Architects of Ireland, Government departments and all those associated with the development and construction of properties. The list also included NSAI.

The first four recommendations focused on standards and specifications, which prompted the Minister, in July, to request the NSAI to undertake the immediate development of:

1. A testing protocol to facilitate the categorisation of dwellings,
2. A method statement for remediation works.

The task for NSAI was to deliver an appropriate and rapid response, using the Authority's established systems to expedite the report's requirements.

In August 2012, NSAI issued a public notice announcing the creation of a new Technical Standards Committee, to develop two Irish standards. NSAI fast tracked its standardization process so that I.S. 398-1 and I.S. 398-2 would be developed in a short space of time. It called on the efforts of numerous committee members who met frequently and for long periods. The result of these efforts is that the two standards were developed in less than six months and these are due to be published in January 2013.

"I know that NSAI have a demanding workload and I am grateful for their immediate and positive response to undertake this work. The development of these two standards represents another important step in the advancement and implementation of solutions for homeowners who have been waiting a long time for a resolution to the pyrite problem."

Minister Phil Hogan T.D.

I.S. 398-1 details accurate and reliable protocols to determine whether or not a building is or may be affected by reactive pyrite in the sub-floor hardcore material.

I.S. 398-2 details the specifications for remediation work.

These two standards will be used as key references for the Pyrites Resolution Board when dealing with claims for remediation.



Certification



Conformity assessment provides audit and independent certification to ensure that an organisation complies with the requisite standards and requirements for its market. Not only does this certification activity present the organisation with a competitive advantage in tender and procurement decisions, but it also gives confidence to the organisation's procurers and end users of compliance with recognised standards ranging from business management systems to product approvals.



Reflecting the diversity of standards published and industry requirements in the Irish economy, NSAI offers certification in the following areas:

- **Management Systems**

NSAI's certification schemes set out essential requirements for practical and effective management systems which minimise risk and maximise opportunities for Irish business. Worldwide the most widely implemented management schemes are ISO 9001 for Quality, ISO 14001 for Environmental, OHSAS 18001 for Occupational Health and Safety, ISO 22000 for Food Safety and I.S. EN ISO 50001 for Energy. By their nature these schemes are accessible and adaptable to any business sector regardless of complexity or size.

During 2012, as an accredited certification body, NSAI continued to develop certification services to address the requirements of business ranging from indigenous SMEs to large multinational corporations. NSAI has certified over 3,000 companies worldwide, with in excess of 10,000 certificates issued, across a broad range of sectors, including areas that are central to national recovery, such as the Medical Devices industry.

- **Product Certification and CE Marking**

Product certification and CE marking is the process of certifying that a product has passed performance, safety and quality assurance tests and meets the criteria specified in regulations or product specifications.

CE marking provides Irish indigenous and multinational companies with immediate access to European and world markets which, in turn, create further employment opportunities. The European Union requires Member States to appoint Notified Bodies to work with organisations, in order to assess whether a product meets the requisite standards under the specific directive.

“Worldwide the most widely implemented management schemes are ISO 9001 for Quality, ISO 14001 for Environmental, OHSAS 18001 for Occupational Health and Safety, ISO 22000 for Food Safety and I.S. EN ISO 50001 for Energy.”

NSAI is the national Notified Body for ten EU Directives, ranging from construction products to active implantable medical devices.

CERTIFICATION – THE YEAR IN REVIEW

Stable Certification Market

The market has been volatile over recent years, but there are signs that it has settled. NSAI Certification has shown positive growth in 2012, with almost 1000 new applications. Among the main management systems standards, certification to ISO 14001 and ISO 22000 were steady, while ISO 9001 showed the most significant increase, in part due to the integration of Excellence Through People into the Authority's certification services. Despite the economic downturn the Irish food industry continues to grow and, with FSSC accreditation, NSAI has increased its support to this industry.

The profile of certification during 2012 shows many organisations holding certificates to more than one standard. ISO 9001 remains the predominant management system, with a 63% share of the new certifications issued during 2012, (Fig.1).

A pattern has emerged that shows organisations opt initially for ISO 9001, before seeking certification to other management schemes.

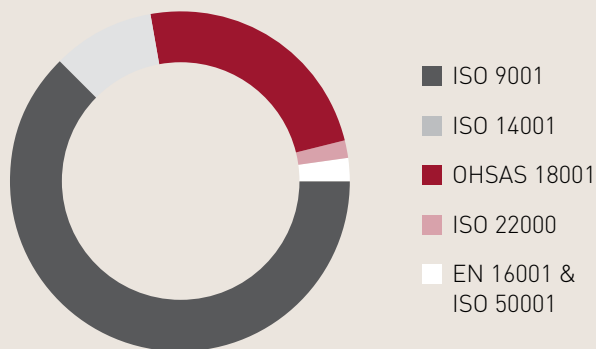
OPEN MARKET INFRASTRUCTURE

Part of NSAI's certification remit is to provide assistance to State agencies through the certifying of management systems and services to ensure compliance with recognised standards. The Authority has been working with the Road Safety Authority since 2009, and that work continued in 2012. The purpose is to implement schemes that enhance both the safety and environmental aspects of vehicles. Under EU Directive 2007/46/EC, vehicles are type approved for sale, registration and entry into service across Ireland and all Member States.

> Certification (continued)

“In 2012, certification returned to growth, reversing the trends of previous years. This is important not just for the positive figures but for the growing importance that companies are placing on certification.”

Fig. 1. 2012 New Management Systems Certification by Percentage



The relevant Irish requirements and test result evaluations, organised by NSAI, ensure that the Directive is applied in line with the timetable for the enforcement of type approval. This is positively affecting road users and Irish road safety.

In 2012, this resulted in NSAI issuing over 2,300 EU motor vehicle approvals for vehicles and their components and systems. These focused on issues such as emissions, engine power, tyres and seat belts. A further 2,000 national approvals were issued, of which more than 1,300 were for vehicles adapted for disabled drivers. This followed the introduction of a specific approval scheme for vehicles adapted for disabled drivers.

Initial assessments for this scheme were completed in early 2012, in order to meet the enforcement date of April 2012. Twenty five adaptors were approved, which enables them to apply for National Approval or Individual Vehicle Approval (IVA). This approval scheme ensures that vehicles adapted for disabled drivers meet the necessary National Approval requirements, thereby satisfying the relevant safety and environmental prerequisites. As part of the scheme, NSAI achieved its target response time of 48 hours to issue National Approval.

New Food Safety Systems Certification (FSSC)

Throughout 2012, NSAI Certification continued to promote and offer Food Safety Systems Certification, based on the international standards ISO 22000 Food Management Systems, and ISO TS 22002-1 Prerequisite Programmes on Food Safety. Four new certifications were awarded during the year, with a further seven applications received.

NSAI received accreditation for FSSC Certification in 2012. This gives NSAI full membership of FSSC which is recognised under the international Global Food Safety Initiative (GFSI). The GFSI aims to ensure confidence in the delivery of safe food worldwide and, by having both the accreditation and GFSI recognition, NSAI offers Irish food and drink manufacturers greater scope to access international markets.

In order to be awarded this accreditation, NSAI underwent vigorous auditing by INAB while also having witness assessments performed at client sites to ensure that the necessary competencies existed within the Authority.



ENHANCED BUSINESS PERFORMANCE

In 2012, certification returned to growth, reversing the trends of previous years. This is important not just for the positive figures but for the growing importance that companies are placing on certification. Companies, private and public, across a broad range of industries, see a greater need to have the essential certifications that are available, for a number of reasons:

- Prequalification/Prerequisite for some tenders.
- Operating abroad, e.g. construction companies seeking contracts in the Middle East typically require ISO 9001 certification to be considered.
- Suppliers and customers who have management system certification expect companies they deal with to have the same degree of transparency and to conform to international best practice.

ISO 9001

ISO 9001 remains the dominant management system, with 55% of all certifications. The 250 new applications for management system certification in 2012 was a very positive result.

Excellence Through People

Excellence Through People Human Resource National Specification, or ETP, became a full part of NSAI certification, in 2012. This followed the proactive co-operation between FAS (ETP's previous managing body), CIPD (the professional body for HR) and Engineers Ireland. The objective was to realign the standard as far as possible with international best practice. Amongst other improvements this involved moving to an annual audit as part of a three year registration cycle. The result was ETP 1000:2012 which is now more closely aligned with NSAI's existing suite of certifications. The full process of integrating ETP into NSAI's systems will be finalised during 2013.



Rebecca Brunton and Sheila Counihan of Dublin Simon Community after receiving their certification to Excellence Through People

Organisations have responded enthusiastically to ETP. They have recognised that this voluntary certification plays a key role in promoting change management in all sectors of industry and the State and Semi-State sectors, as well as driving Ireland's competitiveness. During the year, over 35 Irish and Irish-based multinationals were certified to the ETP scheme.

Human Resource management focuses on improving working conditions, opportunities and the environment for an organisation's entire staff, as well as enriching their lives. ETP is proving an important mechanism through which staff can buy into the idea of change management, which is all an integral part of ISO 9001.

The launch of the ETP certification scheme in 2012 was accompanied by two seminars – one on ETP; one on Change Management – in support of both NSAI's objectives and the Government's Jobs Action Plan. During 2012, NSAI hosted a week long visit

from representatives of the United Arab Emirates Ministry of Interior on the practical application of the Excellence Through People scheme. ETP presentations were followed by visits to organisations which had adopted ETP, including the Naval Service, the Military, Fire Service and ComReg.

NSAI Sustainability and the Built Environment Certification & Registration

The construction sector continued to decline in 2012, with a knock on effect on applications for NSAI Agrément certification and registration to the insulation installers scheme. These are delivered in accordance with our ISO 9001 quality management system. A company with Agrément certification has the advantage that it can prove its products are fit for purpose as required by the National Building Regulations, as well as satisfying the requirements of other relevant parties, such as specifiers and architects. Similarly, homeowners have confidence that the products being installed in their homes are independently certified, and in the case of insulation that the company

> Certification (continued)



Roisin McCreesh and Ann Marie Reid of Vodafone with Maurice Buckley, NSAI Chief Executive and Minister for Small Business, John Perry T.D. receiving the first certification by NSAI to the European Standard for Customer Contact Centres

installing them are also independently certified and continuously monitored.

Further improvements were made to the insulation installer schemes, with continued support provided to SEAI in the quality control of the grant-aided insulation schemes.

In keeping with its certification role, NSAI conducted over 400 audits on manufacturers and contractors, while also providing a support and advisory service for clients in the transition from the Construction Products Directive to the Construction Product Regulation in 2013.

Importantly, in a sector that has suffered dramatically, NSAI continued to certify innovative construction products.

Customer Contact Centre Certification
Ireland has over 700 customer contact centres operating under the Contact Centre Management Association (CCMA) trade body umbrella. Following publication of the European Standard EN 15838, Customer Contact Centres - Requirements for Service Provision, outlining best practice for managing a call centre, the CCMA approached NSAI. They had identified an opportunity to build Ireland's reputation as a European centre of excellence for Customer Contact Centres, using EN 15838.

The Customer Contact Centre Certification was launched in 2012. Vodafone became the first company to be awarded the certification and there has been further interest from other customer contact centres.

The proactive approach by CCMA is indicative of how companies and bodies are identifying ways to use national and international standards to their advantage.

Relationship Building

Elsewhere, NSAI continued to advance the ongoing relationships with the Construction Industry Federation (CIF), through the CQAI (Construction Quality Assurance Ireland)/NSAI Certification scheme for ISO 9001 and ISO 14001 in the construction services sector.

New linkages established in 2012 included working with the OPEX (Operational Expenditure) subgroup of IBEC on change management, with the Pharma/Chemical industry, and with the Programme for the Endorsement of Forest Certification (PEFC) in chain of custody and forest management. This is growing in importance as Ireland increases its 'Green' image as both a service and raw materials economy.

Recognising Achievements through Certificate Presentations

Over 400 companies achieved certification during 2012. These included both those which were being certified for the first time and those adding to their existing management systems. To mark these achievements, NSAI organised two group presentations where the Minister for Small Business, John Perry, T.D. presented the certificates. These certificates were to standards such as ISO 9001, ISO 14001 and OHSAS 18001 and the majority were presented to SMEs across manufacturing, technology, engineering, transport and construction. This demonstrates SME's continued focus on standards, and our efforts to encourage the sector to enhance their management systems by using internationally recognised management standards.



FOSTERING THE INNOVATION AND KNOWLEDGE ECONOMY

World Class Certification for the Medical Devices Industry

The medical device sector remains one of the largest growth areas in the Irish economy. As the Irish Notified Body for Medical Devices, designated by the Irish Medicines Board (IMB), NSAI plays a key role in facilitating the growth of an industry that supports multinational manufacturers and indigenous companies. The industry is highly regulated to ensure the safe performance of each device and Regulators depend on published international standards to define the detail that products must comply with, in order to satisfy their essential safety principles.

For these manufacturers to remain competitive on the world stage they require a world-class certification service. NSAI ensures that manufacturers' quality management systems and medical device products are in compliance with both the European Medical Devices Directives and other international regulations. NSAI cultivates this relationship further by offering regulatory guidance meetings and training, where manufacturers are helped to understand the relevant regulations and how to navigate through the regulatory process for CE Marking approval of medical devices. These help to expedite time-to-market, which is essential for both indigenous and multinational medical device companies in Ireland.

Medical devices are classified according to risk: the higher the risk, the higher the competency required. In 2012, NSAI met the requirements of the relevant competent authority, the Irish Medicines Board (IMB) and achieved approval for high risk Class III medical devices. This ensured that the scope of competency was maintained, allowing NSAI to concentrate on those

devices such as vascular devices, in which the Authority has the greatest expertise and knowledge.

Approximately 60% of indigenous companies and 45% of established multinationals use NSAI as their Notified Body.

Awards for NSAI Clients

The Irish Medical Device Association held its annual awards in December 2012, with the two major awards going to NSAI clients. This is a first for NSAI, and offers an important platform to increasing business in this area.

The award for Medical Technology Company of the Year went to Lake Region Medical, a manufacturer of minimally invasive devices and components, with manufacturing facilities in counties Galway and Wexford. Lake Region won for their excellence in innovation, delivering product approval and creating jobs. All of their products are certified and audited by NSAI.

The award for Emerging Company of the Year was won by Technopath Manufacturing, based in Nenagh. Their core business is focused within the healthcare, biotechnology and healthcare waste management industries. One of their core products received approval from NSAI, and the company has grown substantially in size in 2012, much of which relied on this approval. These two awards will help to further increase the profile of NSAI as new clients are targeted.

NSAI, as a Notified Body, is recognised for its responsiveness and accessibility. In the area of medical devices, NSAI's strength is seen in the predictable outcomes of the Authority's processes, which help companies gain product approval in a timely manner. For medical device companies this is critical to future growth.



John Perry T.D. Minister for Small Business and Maurice Buckley NSAI CEO, pictured with the companies receiving their certificates at the November Group Certificate Presentation event in NSAI

> Certification (continued)



(l-r) Mark Magennis of Xtratherm receiving the first Certificate of Competency in the NSAI Agrément Thermal Modeller Scheme from Gary O'Sullivan, NSAI

Contraction of Notified Bodies

The current European trend is for multinational organisations to consolidate the number of medical device Notified Bodies that they use. Larger companies are reducing this number from as many as six or seven to three or four. This has benefitted NSAI, as companies such as Beckman Coulter, Abbott and Medtronic continue to use NSAI as a preferred Notified Body, thereby increasing the volumes of business for the Authority. This is an important vote of confidence in the services provided by NSAI, and the Authority's reputation continues to grow.

Over the last five years the NSAI client base, based on the number of device certifications, has increased by 20%.

SUPPORTING SUSTAINABILITY

Thermal Modelling Developments

During the year a scheme was developed to verify competency of thermal modelling. This is used to assess the form of temperature variation in buildings and both produce information about the buildings' physical properties, and how and where heat is generated.

Thermal modelling is specified in the Department's Technical Guidance Document, to Part L of the Building Regulations, as part of the Acceptable Construction Details (ACD). Given that buildings must demonstrate compliance with these ACDs, a need arose for a scheme which would register and monitor businesses that perform thermal modelling calculations. This would demonstrate the competence of their calculations.

The scheme was developed internally and involved discussions with DECLG and DIT Bolton Street, which developed a course on thermal modelling at the same time the scheme was being drafted. The outcome is that DECLG now has an independent, robust scheme for thermal modellers, all of whom must register to be compliant.

NSAI continued to offer a professional service of certification of innovative construction products, as well as maintaining the Authority's schemes for installers of insulation and the Window Energy Performance (WEP) scheme.

During 2012, NSAI applied to the Irish National Accreditation Board (INAB) to become a Notified Body for various construction products. This will allow the Authority to provide services for companies intending to CE mark their products in order to comply with the EU Construction Products Regulation that will come into force in July 2013.



PROFILE

Since its launch 25 years ago, over 1 million companies in more than 178 countries have been certified to the internationally recognised standard for Quality Management Systems, ISO 9001. In 2012, NSAI celebrated ISO's 25th anniversary by acknowledging the first company in Ireland to have been ISO 9001 certified by NSAI in 1987 at a special awards event.

In 1987, Longford based contract injection moulding company Tool and Plastic became the first Irish company to be certified to ISO 9001 by NSAI, taking its first step toward implementing quality management systems. The company was recognised at the event for its pioneering work, driven by their passion for quality, from the company's very foundation in 1968. Using standards such as ISO 9001 can give Irish companies the required competitive edge they need to perform confidently in both the domestic and vitally important international markets.

More than 1,200 companies are currently certified to ISO 9001 by NSAI. A Harvard study of 1,000 companies has shown that ISO 9001 adopters have a greater chance for survival, suffering less "firm deaths" than non-ISO adopters. Organisations that pursued standards had higher growth rates for sales, employment, payroll and average annual earnings. Sales were close to 10% higher and there was higher employment growth at ISO certified workplaces.



Pictured at the 25th anniversary of ISO 9001 are John Perry, T.D., Minister for Small Business, Maurice Buckley, CEO, NSAI and Fergal O'Byrne, NSAI Business Excellence Manager

Maurice Buckley, NSAI Chief Executive speaking at the event, said, "On the 25th anniversary of the ISO 9001 standard, we honour the first company to be certified in Ireland by NSAI. ISO 9001 is vital for businesses to understand that Standards are systems that become a company-wide way of doing business that puts the customer and his or her needs at the centre of all you do. ISO certification is not a one-time event - it is just the first step in on-going continuous quality improvement and has become the standard for conducting business in the international arena."

> Metrology



Metrology, the science of measurement, underpins every aspect of modern society since commerce, science, government, education and the law all require accurate, reliable and consistent measurement results. Confidence is crucial to the economic trading infrastructure. To that end, trust in the Irish measurement system plays a key role both domestically and internationally.

NSAI Legal Metrology is responsible for protecting Irish consumers and businesses regarding everyday measurements. It is the legal authority on measurement standards, ensuring that quantities charged for are correct.



NSAI Legal Metrology is the enforcement operation for measurements in trade use. The Metrology Acts 1980- 1998, which underpin the work of Legal Metrology, contain significant protections for consumers and provide for fair and equitable trading conditions for businesses. Irish business and consumers are also represented on matters of legal metrology at national, European and international level.

Through a database of approximately 35,000 traders and businesses, which are responsible for nearly 65,000 measuring instruments (excluding intoxicating liquor measures), Legal Metrology conducts its activities to uphold compliance and reinforce confidence.

The legislative remit extends to setting and implementing controls for measuring instruments used in trade. Examples of regulated measuring instruments include retail weighing scales used in shops and supermarkets, large industrial weighing instruments such as vehicle weighbridges and equipment for weighing animals at marts, forecourt dispensers for petrol and diesel, road tanker systems for home heating oil, milk meters used by agricultural co-ops, taximeters and capacity measures used to dispense and serve alcohol in licensed premises. Owners of such instruments are responsible for ensuring that their instruments are working correctly and are verified at all times. Producers of prepackages must also use appropriate packing, sampling and recording systems. An instrument owner or packer who fails or neglects to comply with metrology legislation may be prosecuted.

The controls for measuring instruments are conducted across three levels: Conformity Assessment, Verification in Use, and Inspection.



Peter Vickers, NSAI Legal Metrology, pictured with the new test vehicle added to the inspection service in 2012. It will be used to transport up to 20 tonnes of large calibrated weights for inspection of weighbridges and industrial platform scales in a wide range of businesses such as quarries, livestock marts and meat plants.

- **Conformity Assessment:** This is carried out in two stages: type approval, which is the process undertaken to confirm that the design of a measuring instrument complies with legal requirements; and verification of the individual instrument. Products covered by European CE marking Directives 2009/23/ EC on non-automatic weighing instruments and 2004/22/ EC on measuring instruments can avail of a European type approval and manufacturers may also carry out verification through use of their own approved quality management system. Where a manufacturer does not operate an approved quality management system, Legal Metrology remains a notified body for EC verification and can carry out this work on request from the manufacturer. Products that are not covered by the European Directives must be submitted for national type approval and verification.
- **Verification in use:** When an instrument already in use is repaired or adjusted it must be re-verified before it can be used again for trade purposes. This process involves the testing and examination of an instrument to ensure that it complies with legal requirements. Verification can be carried out nationwide by NSAI's network of authorised verifiers.
- **Inspection:** A trade measuring instrument can be checked over its lifetime by a metrology inspector to confirm that it continues to comply with legal requirements. Through its field-based inspectorate, Legal Metrology operates in-situ inspection of instruments used for buying and selling by measure throughout the economy, and the inspection of records and procedures of packers who make up products in closed packages by weight or measure to be put on store shelves for direct sale to the consumer.

➤ Metrology (continued)

NSAI LEGAL METROLOGY – THE YEAR IN REVIEW OPEN MARKET INFRASTRUCTURE

A re-organisation of Legal Metrology was implemented with the aim of improving inspection efficiencies and supporting the office of the Director of Legal Metrology. This will ensure a continued high level of service delivery, and provision of confidence to businesses and consumers who rely on measuring instruments for trade transactions.

Approximately 4,000 trading premises were visited by metrology inspectors in 2012. They tested 14,500 instruments of which over 2,600 were verified.

NSAI Legal Metrology works closely with numerous public bodies, such as the water utilities sector (in preparation for the nationwide installation of domestic water meters), Revenue Customs & Excise and the National Transport Authority, on areas of common interest. During the year NSAI Legal Metrology also dealt with over 300 consumer queries and reports of incorrect measurement.

A substantial capital investment was made in 2012, with the procurement of a weighbridge truck and trailer unit. This unit transports high capacity weights around the country, which are used to ensure compliance in the areas of weighbridges, livestock marts and meat plants.

The risk based approach to inspection continued to prove effective in 2012. This approach helps to identify areas of risk per sector and inspections then focus on those areas. This delivers a more effective and efficient inspection regime by placing a direct emphasis on the sectors and instruments where there is a high risk of non compliance. In order to maintain a high degree of compliance in 2013, high risk sectors will be identified for further targeted inspection campaigns.

As part of the ongoing risk based approach to regulatory enforcement there was one successful prosecution of a weighbridge operator during 2012 (see Profile on page 33). In addition, as part of targeted inspection campaigns, 30 livestock marts were visited during the year, with a total of 50 animal weighbridges tested.

Authorised Verifier Scheme

The NSAI authorised verifier scheme continued to grow (see Table 1), with an additional 10 verifiers added in 2012. This brings the total number under the scheme, to 26.

With the expansion of the authorised verifier scheme Legal Metrology inspectors can now focus their resources on the core activity of inspection.

The new authorised verifiers are categorised as follows:

- 3 liquid fuel road tanker systems
- 5 liquid fuel dispensers
- 1 milk metering
- 1 waste weigher

The addition of these authorised verifiers to the scheme now gives nationwide availability of an authorised verifier for all but a few specialist instrument categories. Under the approved verifier scheme, third party operators carried out approximately 27,000 verifications of measuring instruments, including taximeter systems, weighing instruments, liquid fuel road tankers and intoxicating liquor measures. See Table 2.

Table 1 - Expansion of Authorised Verifier Network by Instrument Category and number of companies

Year	Main instrument category	Number of companies	Number of authorisations
2008	Taximeter systems	1	1
	Weighing instruments	2	4
2009	Weighing instruments	6	18
2010	Weighing instruments	3	4
	Intoxicating liquor measures	1	1
2011	Liquid fuel road tankers	2	2
	Milk meters	1	1
2012	Liquid Fuel Dispensers	5	5
	Liquid fuel road tankers	3	3
	Milk meters	1	1
	Waste Weighers	1	1
Total		26	41

Table 2. Number of Verifications carried out per sector during 2012

Sector	No. of Verifications
Taxi Meter Systems	3215
Weighing	360
Liquor Dispensers	23000
Truck Mounted Meters for Oil	140
Liquid Fuel Dispensers	200

Legal Metrology also calibrates large and medium size volume measures in the absence of a national high level calibration provider. In 2012 more than 20 such vessels were calibrated at the NSAI Legal Metrology centre in Dublin. These vessels are used by SME's in Ireland and metrology authorities overseas for testing liquid flow meter systems on road tankers (liquid fuel and milk) and forecourt liquid fuel dispensers.



PROFILE

In April 2012, a Wexford Co-operative was successfully prosecuted for breaches of metrology legislation by NSAI. Upon pleading guilty, the company was convicted in Gorey District Court on two counts for using a non-verified weighbridge in Co. Wexford in contravention of the Metrology Act 1996 and was ordered to pay a total of €3,800 in fines and costs.

The prosecution was taken after an inspection of the weighbridge in September 2011 found that the company had failed to rectify the weighbridge despite a previous warning to do so. It was confirmed to the court that since that inspection the weighbridge has been put in order and the required verification successfully completed.

Throughout the economy weighbridges are used daily for weighing products in bulk, usually between 10 and 60 tonnes. Individuals and businesses, such as farmers, the agri-food industry and hauliers across the diverse freight and logistics sector who transport a wide range of goods from food to cement and quarry stone, rely on the accuracy of measurements from these instruments. Prosecuting non-compliant traders is an enforcement option that will be taken, where necessary, to ensure protection for people and businesses who rely on correct measurement results every day.

The Metrology Act 1996 obliges the user of a measuring instrument used in trade to ensure that it conforms to an approved design, is accurate and is secured against unauthorised or fraudulent adjustment. A person found guilty of an offence under the Act is liable on summary conviction to: a maximum fine of €4,000; or, at the discretion of the court, imprisonment for a term not exceeding 12 months; or to both the fine and imprisonment, as well as to forfeiture of the goods and instruments.

Through the enforcement of Metrology legislation, NSAI Legal Metrology aims to encourage high measurement compliance in trading transactions so that consumers and businesses can have confidence that the quantity of goods bought or sold matches the money exchanged, while at the same time supporting a fair and competitive environment for businesses through the maintenance of consistent standards for measurement.

The positive impact of the targeted actions undertaken during 2012 reflected a clear benefit of the risk-based approach to enforcement. This will remain central to the Legal Metrology business plan with more sectors being identified for similar targeted campaigns in 2013.

> Metrology (continued)



Paul Hetherington, Head of NSAI National Metrology Laboratory pictured with Deryck Omar from the Trinidad & Tobago Bureau of Standards on a visit to the NML in 2012

The National Metrology Laboratory (NML) is the national metrology institute for Ireland. It fulfils the legal requirement placed on NSAI under Section 21 of the Metrology Act 1996, to establish, maintain and develop the Irish national measurement standards for physical quantities. These standards constitute the best local reproductions of the units of the international system of units – the SI system – and thus enable Irish industry to access this worldwide measurement system.

NSAI NML maintains measurement standards in the fields of acoustics, electricity, frequency, length, mass, pressure, force, temperature, humidity and torque. These standards support organisations ranging from SMEs to multinational companies, providing them with access to state-of-the-art measurement facilities, an efficient and responsive calibration service, advice and awareness of measurement issues.

It is widely recognised that a national metrology institute is an essential part of the technical infrastructure of a developed economy. Access to such a national centre of excellence, as provided by the National Metrology Laboratory, is a necessity for manufacturing and service industries, especially those in the technology sectors. This technically competent and internationally recognised metrology infrastructure will continue to be important in demonstrating the suitability of Ireland as a location for high-tech Foreign Direct Investment. The reliability of the services provided by Ireland's network of commercial test and calibration laboratories depends upon access to high quality national measurement standards. As such, the availability of local, readily accessible measurement expertise and related services provides an important competitive advantage to industry in Ireland.

NSAI NML – THE YEAR IN REVIEW OPEN MARKET INFRASTRUCTURE

The key objective for NSAI is to ensure that an infrastructure of measurement standards is in place, thereby providing industry with SI Unit traceability. In 2012, this was delivered with NSAI NML maintaining 14 national measurements standards and disseminating these through a comprehensive calibration service.

The quality of NML's work and technical competence is tested constantly against its peers, with



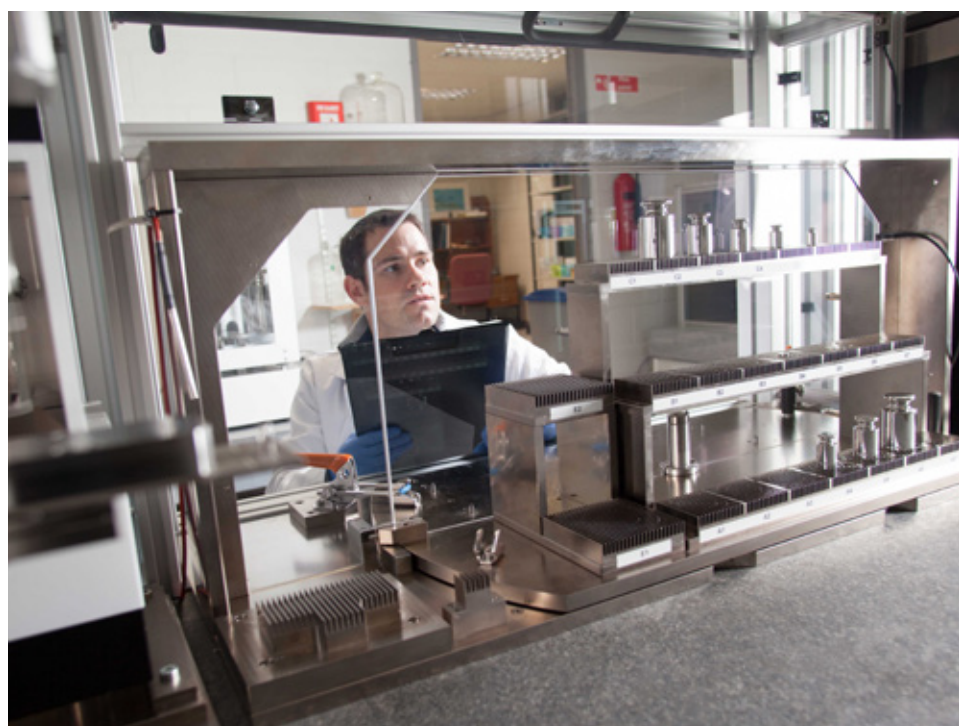
NSAI participating in international measurement intercomparisons. These compare NML's measurement results with other European National Metrology Institutes (NMI). Six such intercomparisons were performed, with NMIs and with the Bureau International des Poids et Mesures (BIPM) in 2012, regarding the National Voltage Standard, electrical resistance, pressure, length and humidity. Successful participation in these Interlaboratory Comparisons (ILC) and the satisfactory results achieved ensure the continued international acceptance of NML's calibration certificates, and of the calibration certificates and test reports produced by those who use NML's calibration services.

NSAI NML's Dimensional Section had its extended range of Calibration & Measurement Capabilities (CMCs) approved and published by BIPM. Such CMCs, in the areas of pin gauges, plug gauges, ring gauges, spheres and line scales, represent the best measurement capability for these fields in Ireland. They were approved after a global peer review system and successful participation in ILCs with other NMIs.

NSAI NML also underwent a 'Peer Audit' by EURAMET, under the requirements of the Comité International des Poids et Mesures (CIPM) Mutual Recognition Agreements (MRA). The audit covered the full QMS of the laboratory and concentrated on the technical aspects of NML's Pressure Laboratory. Successful completion of the audit supports NML's published CMCs, and ensures its continued compliance with the requirements of the CIPM MRA.

ENHANCED BUSINESS PERFORMANCE

With increasing demand for greater precision and accuracy of measurement, it is important that NML's technical knowledge and expertise are used as effectively



as possible for Irish industry. Measurement audits provide independent assurance of an organisation's measurement capabilities, as well as acting as an ideal mechanism for knowledge transfer between NML and the organisation being audited.

In 2012, twelve measurement audits were delivered by NML for seven companies: two companies extended their scopes; and the remainder used the audit performance to support their continued accreditation. The successful participation in a measurement audit is considered essential in validating and benchmarking a laboratory's technical capability.

Under the Strategic Plan 2009-2012, the goal was to undertake 20 such audits. By the end of 2012, the number undertaken had exceeded 40.

In addition to the provision of measurement audits, NSAI NML also provided technical consultancy to 11 companies in solving measurement-related problems. The technical

assistance included advice on laboratory design, equipment selection and procurement, measurement uncertainty improvement and technical procedures development.

FOSTERING THE INNOVATIVE AND KNOWLEDGE ECONOMY

Research Activities

National measurement standards are maintained on an ongoing basis, but there is also a need for them to be improved and developed to keep pace with technical developments, regulations and industrial demand. NML therefore undertakes research and development projects (often in conjunction with third level institutions) aimed at improving the quality and range of its measurement standards and services. These projects have the added benefit of introducing young researchers to measurement science and promoting the use of good measurement practices in research institutions.

The strong performance of recent years continued in 2012, with three collaborative research projects in operation with DCU, alongside the

> Metrology (continued)



development and presentation of laboratory modules with IT Tallaght, and growth in NML's training and consultancy programme. One of the research projects resulted in the successful publication of a research paper on Temperature Mapping Of Temperature Controlled Enclosures (-70°C TO 180°C) Pitfalls and Recommendations (see Profile on page 37).

Projects undertaken in 2012 include:

- NML developed and presented four laboratory modules to IT Tallaght engineering students as an integral part of their course syllabus. The modules consisted of theory and practice in torque measurement and calibration, and were delivered by staff of the NML Dimensional Section.
- NSAI NML collaboration efforts continued with DCU, through three research projects: two on research to develop and improve the measurement capability in mass and length calibration in NML; and one energy management project in the NML building, at Glasnevin.

This research will benefit NSAI and Irish industry by providing access to improved measurement capability.

- 14 technical training courses were developed and delivered by NML technical staff, to approximately 70 people from a range of industries. Training was delivered both in NML and also in-company.

NSAI is planning to partner with third level institutes and become an active partner in the planned European Metrology Research Programme (EMPIR). This will be a Europe-wide programme running for up to seven years and dealing with metrology-related research. It is vital that Irish researchers have access to this high-level research outlet and NSAI NML is furthering plans to achieve this.

NML engaged in a number of international collaborative projects which provided assistance to overseas Metrology Institutes: a series of Proficiency Tests were offered to the National Metrology Institute of Malta (MCCAA); NML also provided

assistance to the Trinidad & Tobago Bureau of Standards, focusing on laboratory design fit-out and also product certification services.

During 2012, NML continued to provide precision measurement and calibration services to the medical device sector. Also provided was measurement-related technical advice, particularly in the areas of pressure and air flow calibration.

Continued Investment

With a focus on providing the best supports and services possible to Irish-based industry, and in addition to NML's technical knowledge and expertise, continued capital investment is essential to NML's role. It improves efficiency and enables both the maintenance and upgrade of its technical services. One example of this is the Sartorius Robotic Weighing system, which was fully commissioned and became operational in 2012. Thanks to this system, NML's customers were provided with a more efficient and accurate mass calibration service.

The weighing system provides for the calibration of Class E1 and E2 precision mass standards, over the range 1mg to 1kg, using one weighing system. As a fully automated calibration system it replaced the traditional manual approach to calibrating E2 weights, giving a 150% capacity increase and a reduction in calibration lead-time, from over 20 days to fewer than 10 days. It delivers cost savings for industry on their annual calibration costs, as well as enhancing customer satisfaction with NML's mass calibration service.

This new system has also given NML the opportunity to extend its calibration capability into E1 class calibration, opening up new markets for NML in Ireland, Northern Ireland and overseas.



PROFILE

NSAI NML delivered a Technical presentation on Temperature Mapping at the Ninth International Temperature Symposium (ITS9).

This symposium takes place once every 10 years to showcase temperature measurement advances made in the last decade and it was attended by over 250 delegates from 35 countries. The presentation marked the culmination of a number of years research in this area by NML and was a summary prequel to the publication of a research paper entitled: Temperature Mapping Of Temperature Controlled Enclosures (-70°C TO 180°C) Pitfalls and Recommendations, published in the proceedings of ITS9.

The storage, environmental testing, culture and sterilisation of samples in industry requires the use of temperature controlled enclosures, such as freezers, fridges, incubators, sterilisers and environmental chambers. In order to determine the effectiveness of these enclosures, temperature mapping of the test volume is carried out to identify thermal variations with respect to chamber volume and mapping duration. This is a regulatory requirement in some industries. If you have to monitor 24 hours a day you must perform annual mapping. The end user, i.e. hospital/pharma/medical device company either perform or sub-contract this work to a calibration service provider. The Irish Medicines Board (IMB) now stipulate that mapping should be performed by companies accredited to ISO 17025. Currently there are a variety of methods employed to perform temperature mapping, which can lead to inconsistencies and give calibration results that may be method dependent. There is a need to standardize these methods, to improve the quality and reliability of the results reported.

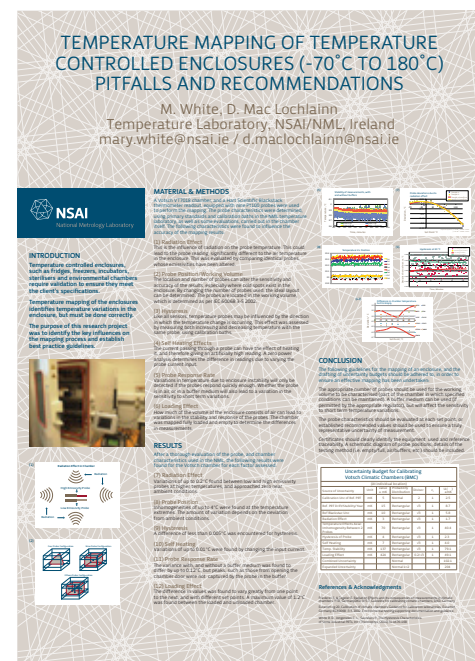
Based on research and experience in this field NML have compiled a user's guide for Temperature Mapping in Ireland. This includes recommended mapping methods, contents of a temperature mapping report, an evaluation of key components to be included in an uncertainty budget and a realistic best measurement capability over the range from -70°C to 180°C.

The presentation at the symposium was evaluated by experts from other National Metrology Institutes. As a result, NML is now recognized as one of the leading National Metrology Institutes in this field and is seen by some to be the leading laboratory in Europe. As a follow up to this presentation the research paper has also been reviewed and accepted for publication in the conference proceedings and are about to be published by the American Institute of Physics.

As recognition of NML's work in this field, two International companies Rotronic and MBW are now engaging in a joint research project on climatic validation techniques for both temperature and humidity with NML. In 2013, a joint paper will be presented at the TempMeko International Symposium on Temperature and Thermal Measurements in Industry and Science.

The research paper is now a guideline for the mapping of an enclosure, and the drafting of uncertainty budgets and if adhered to, will ensure an effective mapping has been undertaken.

It will be a reference document for existing laboratories performing temperature mapping by helping them determine their best achievable accuracy. It will give new companies a better understanding of what is involved in setting up a temperature mapping service. It will also assist both accreditation bodies and technical assessors with their technical assessments of such laboratories to ISO 17025.



> Corporate Governance





Code of Practice for the Governance of State Bodies

The Board has adopted the Code of Practice for the Governance of State Bodies and the provisions of the Code are being implemented.

Ethics in Public Office

The provisions of the Ethics in Public Office Act 1995 and Standards in Public Office Act 2001 have been implemented. Board members and staff members holding designated positions furnish statements of interests to the Secretary.

Freedom of Information

NSAI is a prescribed organisation under the Freedom of Information Acts 1997 and 2003. In addition, the Data Protection Acts 1988 and 2003 also apply to NSAI.

Equality

NSAI is committed to a policy of equal opportunity and adopts a positive approach to equality in the organisation. A policy on Dignity at Work is in operation and has been communicated to all staff.

Safety Health and Welfare at Work

NSAI is implementing the provisions of the Safety, Health and Welfare at Work legislation, including the preparation of an Operations Safety Statement embracing all matters affecting safety, health and welfare of staff and visitors to NSAI's premises.

Energy Efficiency and Conservation

NSAI is committed to taking every effort possible to be energy efficient and to operate conservation and recycling measures. Most of our energy consumption relates to heat, light and power to our office buildings. The Authority participates in framework agreements for the supply of electricity and gas procured centrally by the National Procurement Service.

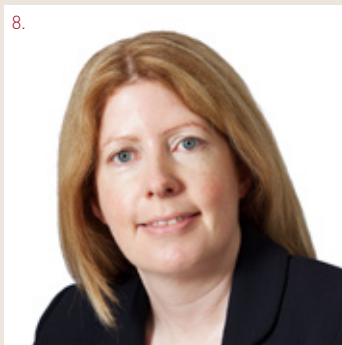
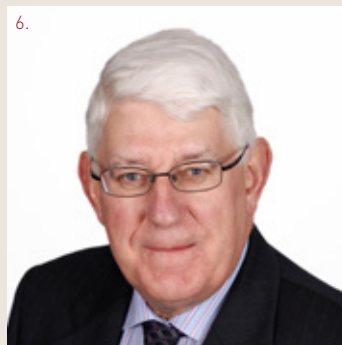
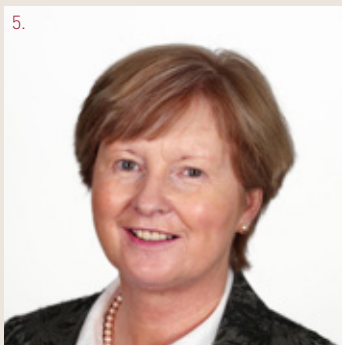
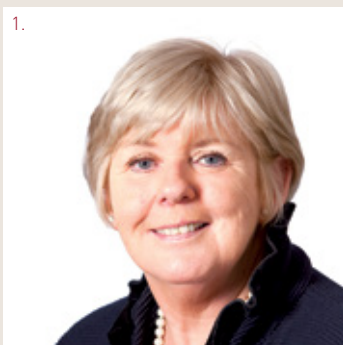
Prompt Payments

In accordance with the provisions of Prompt Payment of Accounts Act 1997 as amended by the European Communities (Late Payments in Commercial Transactions) Regulations 2002, NSAI is committed to ensuring that all suppliers are paid promptly.

Official Languages

NSAI comes under the remit of the Official Languages Act 2003. In accordance with Section 10 of the Act, this Annual Report is published in Irish and English.

> Board Members



1. Ann Riordan, Chairman
2. James Collins
3. Damian Wallace
4. Kieran Ryan
5. Mary Ita Walsh
6. David Gargan
7. Edmond Stack
8. Barbara O'Leary
9. Anne Clarke
10. Des O'Loughlin
11. Kierán Cox
12. Terry Landers
13. Maurice Buckley, Chief Executive

2012 Annual Financial Statements



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Statement Of Board Members' Responsibilities

For 2012 Annual Financial Statements

Paragraph 8(2) of the First Schedule to the National Standards Authority of Ireland Act, 1996 requires the Authority to keep, in such form as may be approved of by the Minister for Jobs, Enterprise and Innovation, with the consent of the Minister for Finance, all proper and usual accounts of money received and expended by it and, in particular, to keep in such form as aforesaid all special accounts as the Minister for Jobs, Enterprise and Innovation may from time to time direct. In preparing those accounts, the Authority is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation.

The Board is responsible for keeping proper books of account which disclose with reasonable accuracy at any time its financial position and which enable it to ensure that the Financial Statements comply with Paragraph 8 of the First Schedule to the National Standards Authority of Ireland Act, 1996. The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:

James Collins
Board Member
27 June 2013

Maurice Buckley
Chief Executive Officer
27 June 2013

Statement on Internal Financial Control



On behalf of the Board of NSAI I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in the Authority.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely period.

The Board has taken steps to ensure an appropriate control environment is in place by:

- Establishing formal procedures for monitoring the activities and safeguarding the assets of the organisation;
- Clearly defining management responsibilities and powers;
- Developing a culture of accountability across all levels of the organisation.

The Board has established processes to identify and evaluate business risks by:

- Operating a formal risk management process. This process considers the primary risks facing the Authority in the discharge of its function and achievement of overall objectives.
- Management is responsible for the identification and evaluation of significant risks and for the design and implementation of appropriate internal controls.
- Management reports to the Board on significant changes in the operations of the Authority and their associated risks.

The system of internal financial control is based on a framework of regular management information, administration procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- Clearly defined authorisation limits, segregation of duties and the controls available from its financial systems. This system is overseen by the Audit Committee which engages suitable external agencies to examine and test this system.
- The operation of a system of budgetary control against which actual performance is compared throughout the year. Financial results are reported to the Board with variance against budget interrogated.
- Board approval is required for all key payment authorities and banking mandates.
- The Audit Committee, a sub-committee of the Board, approves internal audit plans and deals with significant control issues raised by the internal or external auditors. This Committee ensures that the work done by the internal audit function is focussed on areas of greatest risk or exposure.

NSAI has an outsourced internal audit function, which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice on the Governance of State Bodies and which reports directly to the Audit Committee. The work of internal audit is informed by analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Audit Committee. The Audit Committee meets on a regular basis throughout the year to review and confirm the ongoing adequacy and effectiveness of the system of Internal Financial Control.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the Internal Auditor, the Audit Committee which oversees the work of the Internal Auditor and the executive managers within NSAI who have responsibility for the development and maintenance of the financial control framework.

I confirm that in respect of the year to 31 December 2012, the Board conducted a review of the effectiveness of the system of internal financial controls.

James Collins
Board Member
27 June 2013

> Report of the Comptroller and Auditor General



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

NATIONAL STANDARDS AUTHORITY OF IRELAND

I have audited the financial statements of the National Standards Authority of Ireland for the year ended 31 December 2012 under the National Standards Authority of Ireland Act 1996. The financial statements, which have been prepared under the accounting policies set out therein, comprise the accounting policies, the consolidated income and expenditure account, the statement of consolidated total recognised gains and losses, the consolidated balance sheet, the consolidated cash flow statement and the related notes. The financial statements have been prepared under paragraph 8 of the first schedule of the Act, and in accordance with generally accepted accounting practice in Ireland.

RESPONSIBILITIES OF THE MEMBERS OF THE AUTHORITY

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Authority's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

RESPONSIBILITIES OF THE COMPTROLLER AND AUDITOR GENERAL

My responsibility is to audit the financial statements and report on them in accordance with applicable law. My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Authority's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Authority's annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

DEFERRED PENSION FUNDING

Without qualifying my opinion I draw attention to note 11 (c) to the financial statements. The Authority recognises an asset in respect of deferred pension funding – the current value of the funding it anticipates will be provided in the future by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the Authority will in the first instance be applied towards current expenses and that State funding will meet any current or future shortfall in resources including future pension liabilities.



OPINION ON THE FINANCIAL STATEMENTS

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Authority's affairs at 31 December 2012 and of its income and expenditure for 2012.

In my opinion, proper books of account have been kept by Authority. The financial statements are in agreement with the books of account.

MATTERS ON WHICH I REPORT BY EXCEPTION

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Authority's annual report is not consistent with the related financial statements, or
- the Statement on Internal Financial Control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Patricia Sheehan

For and on behalf of the
Comptroller and Auditor General
30 June 2013



Board Members and General Information

BOARD OF THE NSAI

NSAI Board Members, who are appointed by the Minister for Jobs, Enterprise and Innovation comprise of the following:

Board Members: Ms. A. Riordan - Chairman
Mr. M. Buckley - Chief Executive Officer
Ms. A. Clarke – Appointed April 14th, 2012
Mr. J. Collins
Mr. K. Cox – Appointed April 14th, 2012
Mr. D. Gargan – Retired April 14th, 2012
Mr. T. Landers – Appointed March 6th, 2012
Ms. B. O’Leary – Appointed March 6th, 2012
Mr. D. O’Loughlin – Retired April 14th, 2012
Mr K. Ryan
Mr. E. Stack
Mr. D. Wallace
Ms. M.I. Walsh – Retired April 14th, 2012

Mr. P. Bracken - Board Secretary

GENERAL INFORMATION

Head Office: 1 Swift Square
Northwood
Santry
Dublin 9

Auditors: Comptroller and Auditor General

Bankers: Allied Irish Banks

Solicitors: McCann Fitzgerald

Accounting Policies



THE NATIONAL STANDARDS AUTHORITY OF IRELAND ACT, 1996

The National Standards Authority of Ireland (NSAI) was established on 14 April 1997 under Section 6 of the National Standards Authority of Ireland Act, 1996. On the establishment day all property, which immediately before that day was the property of the NSAI as a Committee of Forfás, was vested in the Authority. The transitional provisions set out in Part III of the Industrial Development (Enterprise Ireland) Act, 1998 provided for the transfer to the National Standards Authority of Ireland of all property, rights and liabilities of the Legal Metrology Service held immediately before that day by Forbairt.

The basis of accounting and significant accounting policies adopted are as follows:-

(a) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in the form approved by the Minister for Jobs, Enterprise and Innovation with the concurrence of the Minister for Finance under the National Standards Authority of Ireland Act, 1996.

The financial statements are prepared on an accruals basis, except as stated below and in accordance with Generally Accepted Accounting Practice. Financial Reporting Standards recommended by the recognised accounting bodies are adopted as they become applicable.

The consolidated financial statements comprise the financial statements of the Authority and its subsidiary NSAI Inc. The accounting policies of the subsidiary do not differ to those of the Authority.

(b) INCOME

All income other than Oireachtas Grant is accounted for in the period in which it has been earned. Fees paid in advance are treated as deferred income and are reported as a current liability. This income is released to the Income and Expenditure Account on delivery of the service.

(c) OIREACHTAS GRANT

This is accounted for on a cash receipt basis except when a grant is received in respect of the discharge of liabilities in the following year, when the grant is deferred.

(d) TRANSLATION OF FOREIGN CURRENCIES

Foreign Currency Transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Balance Sheet date. Revenues and costs are translated at the exchange rates ruling at the dates of the underlying transactions. Profits and losses arising from foreign currency translations upon settlement of amounts receivable and payable in foreign currency are dealt with in the Income and Expenditure Account.

Foreign Operations

When translating the results of the foreign operation for inclusion in the financial statements, assets and liabilities are translated at the exchange rate ruling at the Balance Sheet date. The translation difference arising from the restatement of foreign operations in the functional currency euro due to changes in exchange rates, is recognised in reserves (the Income and Expenditure Account under the heading "translation adjustment" in respect of monetary items and the Capital Account in respect of fixed asset re-translation differences). Income and expenses are translated at monthly period average exchange rates. Any resulting translation difference compared to the Balance Sheet rate is also recognised in reserves of the operation.

All income other than Oireachtas Grant is accounted for in the period in which it has been earned.

(e) FIXED ASSETS

Fixed Assets comprise tangible fixed assets which are owned by the NSAI and are stated at cost less accumulated depreciation or in the case of Land & Buildings transferred from Enterprise Ireland, National Metrology (NML) at valuation. Depreciation is calculated in order to write off the cost of fixed assets over their estimated useful lives as follows:

Equipment, Fixtures & Fittings	5 years
Computers	3 years
Land and Buildings	50 years
Motor Vehicles	5 years

> Accounting Policies (continued)

(f) CAPITAL ACCOUNT

The Capital Account represents grant income utilised for the acquisition of Fixed Assets and is written down in line with the depreciation and revaluation policies for the related assets.

(g) DEBTORS

Debtors are stated net of a provision for non-recovery of bad and doubtful debts. The provision against non-recovery of debtors is made against specific doubtful debtors with additional provision against other trade debts where appropriate.

(h) LEASES

Rentals due under operating leases are dealt with in the financial statements as they fall due.

(i) SUPERANNUATION

The Income and Expenditure Account, Statement of Recognised Gains and Losses and Balance Sheet recognise pension transactions, movements and balances in accordance with the requirements of Financial Reporting Standard 17, Retirement Benefits.

Forfas Scheme

Staff working in NSAI who immediately prior to establishment day were permanent members of the staff of Forfas continue to be members of said staff under Section 38(1)(a) of the National Standards Authority of Ireland Act 1996. Accordingly, under Paragraph 3 of the Second Schedule of the Industrial Development Act, 1993, Forfas is responsible for the employee pension entitlements of these staff.

NSAI Scheme

NSAI operates a defined benefit pension scheme which is funded annually on a pay as you go basis from monies available to it, including monies provided by the Department of Jobs, Enterprise and Innovation and from contributions deducted from staff salaries.

Pension scheme liabilities are measured on an actuarial basis using the projected unit method.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by the NSAI. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Department of Jobs, Enterprise and Innovation.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department of Jobs, Enterprise and Innovation.

Consolidated Income and Expenditure Account

For Year Ended 31 December 2012



	Notes	2012 €	2011 €
Income	1	18,613,423	18,550,589
Expenditure			
Administration and General Expenses	2	24,689,586	24,262,568
Deficit before Oireachtas Grant		(6,076,163)	(5,711,979)
Oireachtas Grant	3	6,244,859	6,335,837
Operating Surplus for year		168,696	623,858
Transfer from Capital Account	4	215,960	198,897
Translation Adjustment		(39,853)	93,310
Surplus for year		344,803	916,065
Balance at 1 January		4,162,592	3,246,527
Balance at 31 December		4,507,395	4,162,592

Amounts shown under Income and Expenditure are in respect of continuing activities.

The Accounting Policies, Cashflow Statement and Notes 1 to 15 form part of the Financial Statements.

On behalf of the Board:

James Collins
Board Member
27 June 2013

Maurice Buckley
Chief Executive Officer
27 June 2013



Statement of Consolidated Total Recognised Gains and Losses

As at 31 December 2012

	Notes	2012 €	2011 €
Surplus for year		344,803	916,065
Experience Gains on pension scheme liabilities	11 (d)	1,390,000	620,000
Changes in assumptions underlying the present value of pension scheme liabilities	11	-	-
Actuarial Gains on Pension Liabilities		1,390,000	620,000
Adjustment to Deferred Pension Funding	11	(1,390,000)	(620,000)
Total Recognised Gains for the year		344,803	916,065

The Accounting Policies, Cashflow Statement and Notes 1 to 15 form part of the Financial Statements.

On behalf of the Board:

James Collins
Board Member
27 June 2013

Maurice Buckley
Chief Executive Officer
27 June 2013

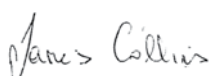
Consolidated Balance Sheet

As at 31 December 2012

	Notes	2012 €	2011 €
Fixed Assets			
Tangible Fixed Assets	5	4,537,120	4,752,880
Current Assets			
Debtors and Prepayments	7	3,928,785	3,656,105
Bank		1,704,942	2,145,573
		5,633,727	5,801,678
Creditors : amounts falling due within one year	8	1,126,332	1,639,086
Net Current Assets		4,507,395	4,162,592
Total Assets less current liabilities before Pensions		9,044,515	8,915,472
Deferred funding Asset for Pensions	11 (c)	33,300,000	32,000,000
Pension Liabilities	11 (b)	(33,300,000)	(32,000,000)
		-	-
Total Assets less current liabilities after Pensions		9,044,515	8,915,472
Net Assets		9,044,515	8,915,472
Financed By:			
Capital Account	4	4,537,120	4,752,880
Income and Expenditure Account		4,507,395	4,162,592
		9,044,515	8,915,472

The Accounting Policies, Cashflow Statement and Notes 1 to 15 form part of the Financial Statements.

On behalf of the Board:



James Collins
Board Member
27 June 2013



Maurice Buckley
Chief Executive Officer
27 June 2013

Consolidated Cash Flow Statement

For Year Ended 31 December 2012

	Notes	2012 €	2011 €
Reconciliation of Operating Surplus for Year to Net Cash Inflow from Operations			
Operating Surplus for the Year		168,696	623,858
Bank Interest		(10,351)	(9,540)
Depreciation Charge	5	706,758	739,139
Profit on disposal of Tangible Fixed Assets		(36,450)	(31,000)
(Increase) in Debtors and Prepayments		(272,680)	(47,746)
(Decrease) in Creditors and Accruals		(512,755)	(375,608)
Currency Translation Adjustment		(39,853)	93,310
Net Cash Inflow from Operations		3,365	992,413
CASH FLOW STATEMENT			
Net Cash Inflow from Operations		3,365	992,413
Returns on Investment and Servicing of Finance			
Bank Interest		10,351	9,540
Cash Flow before Capital Expenditure		13,716	1,001,953
Capital Funding			
Purchase of Tangible Fixed Assets	5	(490,797)	(540,242)
Sale of Tangible Fixed Assets		36,450	31,000
Increase in Cash		(440,631)	492,711
Reconciliation of Net Cash Flow to Movement in Net Funds			
Movement in Net Funds in the year		(440,631)	492,711
Net Funds at 1 January		2,145,573	1,652,862
Net Funds at 31 December		1,704,942	2,145,573

Notes to the Accounts

For Year Ended 31 December 2012



(1) Income

		2012 €	2011 €
Certification Fees		14,975,818	14,569,966
Sale of Standards		791,344	804,080
Other Income		145,910	347,003
Bank Interest		10,351	9,540
		15,923,423	15,730,589
Net deferred funding for pensions	Note 11 (c)	2,690,000	2,820,000
		18,613,423	18,550,589

(2) Administration and General Expenses

		2012 €	2011 €
Pay and Superannuation costs		11,716,554	12,294,384
Pension costs	Note 11 (a)	2,972,825	2,869,378
Board Members Remuneration and Expenses	Note 14	71,170	63,362
Travelling Expenses		1,305,254	1,253,573
Sub-contracted and Professional Services		3,412,878	2,899,441
Rents, Rates, Repairs and Maintenance		1,975,466	1,923,342
Other Operating Expenses		1,900,862	1,599,597
Profit on disposal of Fixed Assets		(36,450)	(31,000)
Subscriptions to Organisations		638,419	625,502
Depreciation	Note 5	706,758	739,139
Audit Fee		25,850	25,850
		24,689,586	24,262,568

Pay and Superannuation Costs of staff comprise :

Wages and Salaries	10,950,079	11,564,643
Social Welfare Costs	736,773	725,793
Superannuation Costs	29,702	3,948
	11,716,554	12,294,384

The number of persons employed (whole time equivalent) at 31 December 2012 was 154. (2011: 168)

Other Operating Expenses includes an amount of €7,334 in relation to Employee engagement/staff welfare. These costs include a contribution to staff social club events and staff team building exercises.

(3) Oireachtas Grant

	2012 €	2011 €
Grant for Administration and General Expenses	6,244,859	6,335,837
	6,244,859	6,335,837

The Oireachtas Grant is issued by The Department of Jobs, Enterprise and Innovation and includes an amount of €456,859 in relation to capital purchases in 2012. Funding is from Vote 32, Subhead A.11.

> Notes to the Accounts (continued)

For Year Ended 31 December 2012

(4) Capital Account

	2012 €	2011 €
Opening balance	4,752,880	3,682,379
Net Movements on Tangible Fixed Assets	(215,960)	(198,897)
Transfer to Income & Expenditure Account	(215,960)	(198,897)
Transfer of NML Land & Buildings from Enterprise Ireland	0	1,270,000
Currency Translation Adjustment	200	(602)
At 31 December	4,537,120	4,752,880

(5) Tangible Fixed Assets

<i>In Euro</i>	Equipment, Fixtures & Fittings €	Computer Equipment €	Land & Buildings €	Motor Vehicles €	Total €
COST					
At 1 January 2012	4,536,461	2,771,505	4,203,632	360,331	11,871,929
Additions	161,555	184,454	19,638	125,150	490,797
Disposals	(125,299)	(110,106)		(130,633)	(366,038)
Translation Adjustment	(695)	(2,914)			(3,609)
At 31 December 2012	4,572,022	2,842,939	4,223,270	354,848	11,993,079
DEPRECIATION					
At 1 January 2012	3,801,892	2,341,091	771,373	204,693	7,119,049
Charge for Year	327,213	259,150	84,062	36,333	706,758
Disposals	(125,299)	(110,107)		(130,633)	(366,039)
Translation Adjustment	(956)	(2,853)			(3,809)
At 31 December 2012	4,002,850	2,487,281	855,435	110,393	7,455,959
NET BOOK VALUE					
At 1 January 2012	734,569	430,414	3,432,259	155,638	4,752,880
Net movement for year	(165,658)	(74,695)	(64,424)	88,817	(215,960)
Translation adjustment	261	(61)			200
At 31 December 2012	569,172	355,658	3,367,835	244,455	4,537,120

(6) Property

NSAI occupies premises at a number of locations. Our head office is located at 1 Swift Square, Santry, Dublin 9. These premises are leased, the lease was entered into in January 2008 for a period of 20 years. The first 5 year rent review is due to be undertaken in January 2013 covering the period commencing 1 January 2013.

NSAI has Regional Offices in Limerick and the USA. The Limerick office is located at Plassey Park Road, National Technology Park, Castletroy, Co Limerick, these premises are owned by NSAI. The regional office in the USA is located at 402 Amherst Street, Nashua, NH 03063, USA, these premises are leased, the lease was entered into in December 1999 and is due to expire August 2013.

The NSAI National Metrology Laboratory is located at Glasnevin, Dublin 9, these premises are owned by NSAI.

The NSAI has a number of Legal Metrology Service Regional Centres. These centres are located at Cork, Limerick, Dublin, Sligo, Dundalk, Waterford and Galway. All of these premises are owned by NSAI.



(7) Debtors and Prepayments

	2012 €	2011 €
Trade Debtors	2,779,836	2,508,003
Accrued Income	552,764	616,554
Prepayments	596,185	531,548
	3,928,785	3,656,105

(8) Creditors : amounts falling due within 1 year

	2012 €	2011 €
Trade Creditors	89,851	208,207
Other Creditors and Accruals	777,763	682,088
Deferred Income	280,425	689,964
Taxation, Social Insurance and VAT	(21,707)	58,827
	1,126,332	1,639,086

(9) Commitments under Operating Leases

Payments made under Operating Leases on Buildings charged in the financial statements amounted to €934,304 (2011: €932,351). Payments under Operating Leases on Buildings amounting to €934,019 are due to be made in 2013. These are in respect of leases which expire as follows:

	2012 €	2011 €
Expiry of Lease:		
Within one year		
One to five years	42,068	40,510
After five years	891,951	891,951
	934,019	932,461

(10) Taxation

The Authority is exempt from taxation on its income.

> Notes to the Accounts (continued)

For Year Ended 31 December 2012

(11) Pension Costs

(a) Analysis of total pension costs charged to Expenditure

	2012	2011
Current service costs	€1,600,000	€1,700,000
Interest on pension scheme liabilities	€1,800,000	€1,600,000
Employee contributions	(€427,175)	(€430,622)
	€2,972,825	€2,869,378

(b) Movement in Net Pension Liability during the financial year

	2012	2011
Net pension liability at 1 January	€32,000,000	€29,800,000
Current service cost	€1,600,000	€1,700,000
Interest costs	€1,800,000	€1,600,000
Actuarial gain	(€1,390,000)	(€620,000)
Pensions paid in the year	(€710,000)	(€480,000)
Net pension liability at 31 December	€33,300,000	€32,000,000

(c) Deferred funding for Pensions

NSAI recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of a set of assumptions and a number of past events. These events include the statutory basis for the establishment of the superannuation scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. NSAI has no evidence that the policy referred to above will not continue to meet such sums in accordance with current practice.

The net deferred funding for pensions recognised in Income and Expenditure Accounts was as follows:

	2012	2011
Funding recoverable in respect of current year pension costs	3,400,000	3,300,000
State grant applied to pay pensioners	(710,000)	(480,000)
	2,690,000	2,820,000

The deferred funding asset for pensions as at 31 December 2012 amounted to €33.3 million (2011: €32.0 million).

(d) History of defined benefit obligations

	2012	2011	2010	2009
Defined benefit obligations	€33,300,000	€32,000,000	€29,800,000	€30,000,000
Experience gains on scheme liabilities				
Amount	(€1,390,000)	(€620,000)	(€3,450,000)	(€1,900,000)
Percentage of scheme liabilities	(4%)	(2%)	(12%)	(6%)

The cumulative actuarial gain recognised in the Statement of Total Recognised Gains and Losses amounts to €6,573,000.

(e) General Description of the Scheme

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal retirement age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation dated 3rd March 2013 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2012.



(11) Pension Costs

The principal actuarial assumptions were as follows:

	2012	2011	2010
Rate of increase in salaries	4%	4%	4%
Rate of increase in pensions in payment	4%	4%	4%
Discount rate	5.5%	5.5%	5.5%
Inflation rate	2%	2%	2%

(f) Mortality

Average future life expectancy according to the mortality tables used to determine the pension liabilities

	2012	2011	2010
Male aged 65	22	22	22
Female aged 65	25	25	25

(12) NSAI Inc.

NSAI Inc. was established in New Hampshire, USA on July 1, 1997 as a not for profit corporation wholly-owned by the NSAI for the purpose of distribution and dissemination of information on current and proposed Irish and EU standards, the provision of technical reviews and evaluation of products, processes and practices and certification for conformity to EU, Irish and International standards. The balances and transactions of NSAI Inc. have been included in these financial statements. The Consolidated Operating Surplus for the year includes a surplus from the operations of NSAI Inc. of €321,211. (2011 : €376,919)

(13) Board Members - Disclosure of Transactions

In the normal course of business, the NSAI may enter into contractual arrangements with undertakings in which NSAI Board Members are employed or otherwise interested. The NSAI adopted procedures in accordance with the guidelines issued by the Department of Finance in relation to the disclosure of interests by Board Members and these procedures have been adhered to by the NSAI during the year.

> Notes to the Accounts (continued)

For Year Ended 31 December 2012

(14) Directors remuneration and CEO Salary

(a) Directors remuneration paid in 2012

Ms. A. Riordan		€11,929	Chairman
Mr. J. Collins	[Note (i)]	€3,244	
Mr D. Gargan		€2,360	Retired 14 April 2012
Mr T. Landers	[Note (ii)]	€0	Appointed 6 March 2012
Ms B. O'Leary	[Note (iii)]	€0	Appointed 6 March 2012
Mr K. Ryan		€7,668	
Mr E. Stack		€7,668	
Mr. D. Wallace		€7,668	
Ms M. I. Walsh		€2,360	Retired 14 April 2012
Mr M. Buckley		€0	Chief Executive Officer
Ms A Clarke	[Note (iv)]	€5,309	Staff Representative, appointed 14 April 2012
Mr K. Cox	[Note (iv)]	€5,309	Staff Representative, appointed 14 April 2012
Mr D. O'Loughlin	[Note (iv)]	€3,834	Staff Representative, retired 14 April 2012

The total Directors remuneration for 2012 was €57,349 (2011: €59,246).

- (i) Payment discontinued in accordance with DPER instruction on the OPOS (One Person One salary) principle.
- (ii) Member voluntarily forgoing Directors remuneration.
- (iii) Remuneration not payable in accordance with OPOS principle.
- (iv) Remuneration payable to staff representatives in accordance with DPER instruction issued 2012, with effect from 1 Oct 2011.

(b) Directors Expenses

The total Directors expenses for 2012 was €13,820 (2011: €4,116).

(c) CEO salary

The Chief Executive's annual basic salary paid in 2012 was €153,651 (2011: €153,651). The total remuneration package consisting of superannuation provision, company car and any other benefits (subject to benefit in kind) for 2012 was €164,161 (2011: €164,529). The Chief Executive is a member of the NSAI staff superannuation scheme and his pension entitlements do not extend beyond the standard entitlements of the model public sector scheme. The Chief Executive did not receive any performance related payments in either 2012 or 2011.

(15) Approval of Financial Statements

The financial statements were approved by the Board on 11 April 2013.

Appendix



Standard - Irish Standard (I.S.) – a national specification based on the consensus of an expert panel, subject to public consultation and published solely by NSAI. European Standard (EN) – is a standard adopted by CEN/ CENELEC and carries with it an obligation of implementation as an identical national standard as well as the withdrawal of conflicting national standards. Once adopted by NSAI, a European Standard is published as an I.S. EN.

Corrigendum - A supplementary document to one, two or all three language versions (English, French and German) of a CEN/CENELEC publication, which corrects one or more errors or ambiguities inadvertently introduced in either drafting or printing, and which could lead to incorrect or unsafe application of those versions.

Amendment - A ratified supplementary document to an EN (and a Harmonisation Document (HD) for CENELEC) already circulated to CEN/CENELEC national members for national implementation, to be read in conjunction with that EN / HD and which alters and/or adds to previously agreed technical provisions in that EN / HD.

S.R. - Standard Recommendation is a recommendatory document based on the consensus of an expert panel and subject to public consultation.

Interpretation Sheet - This is a published sheet giving the interpretation of a CENELEC standard. In principle, a CENELEC standard is written in such a way that there is no need for interpretation by the user. However, the parties involved in the use of the standards, such as manufacturers, certifiers and legislators, read standards from their own perception and do not always understand the intentions expressed by the standards. Therefore, the Technical Body responsible for the published standard asks CCMC (CEN/CENELEC Management Centre) to issue, after due approval procedure, an Interpretation sheet, which purpose is to clarify the meaning or the intention of a specific part of the standard.

National Annex - A supplementary element added to the back of an adopted European Standard (normally informative) to aid the reader in understanding the Standard and make it easier to implement. It can contain information that is unique to the relevant National Standards Body.

SWiFT - A Specification Written in Fast Track is a rapidly developed recommendatory document based on the consensus of the participants of an NSAI workshop.



Notes



NSAI

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