



NSAI

Annual Report **2021**

Standards at work

I.S. EN IEC 61400-50-3:2022 describes procedures and methods to ensure that wind measurements are carried out and reported consistently and according to best practices. Wind energy is used as a clean and sustainable source of renewable energy.





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Introduction

Innovating to shape a safer, better, and sustainable future, the National Standards Authority of Ireland (NSAI) is Ireland's standards body. We have responsibility for providing services for standardisation, conformity assessment, and measurement. Our primary aim is to improve the efficiency and performance of Irish businesses and enhance consumers' confidence through standardisation.

We accomplish this by providing access to thousands of standards and a wide range of certification schemes, enabling businesses to continuously improve processes and demonstrate that their products and services meet the highest international standards. Through our metrology related services, we provide tractability to international measurement standards which underpins the confidence for measurements and measuring instruments used in industry, and trade transactions based on measurement.

Our services help enable trade, protect the consumer and ensure that products and services can be relied upon nationally and across the world.

At the core of Ireland's trade infrastructure, NSAI ensures the business community has access to relevant services for:

1. shaping the future standards for their sector
2. improving the performance and resilience of their organisations
3. demonstrating compliance with standards and regulatory obligations.

The application of standards for processes and products is voluntary, however standards play a significant role in supporting government policies and legislation. NSAI works with and listens to the views of all relevant stakeholders to reach consensus on the standards. NSAI has supports in place through its certification schemes and auditing services, to enable businesses to achieve conformity with standards that in many situations underpin regulatory and legislative compliance.

The NSAI has a specific enforcement role in Legal Metrology but apart from which we do not enforce the use of standards. Where standards are referenced in legislation it becomes the remit of the relevant government bodies and agencies to ensure regulatory compliance with those standards.



Our Mission

As the primary Irish authority for standardization, certification and measurement services, NSAI contributes to an optimal business environment for trade and innovation through excellence and expertise in the provision of the highest quality services.



Our Vision

To be Ireland's leading provider of world-class standards, certification and measurement expertise to facilitate trade and support sustainable economic growth.



2021 At a Glance

1,336

NEW STANDARDS
PUBLISHED

4,762

MEASUREMENT
INSTRUMENT
CALIBRATIONS

269

INSULATION
INSTALLERS CERTIFIED

209,986

STANDARDS VIEWED
OR DOWNLOADED

2

NEW NATIONAL
MEASUREMENT
STANDARDS
COMMISSIONED

8,362

MOTOR VEHICLE
PRODUCT APPROVALS

537

COMMITTEE
MEETINGS HELD

5,428

PREMISES VISITED BY
LEGAL METROLOGY

271

NEW USERS REGISTERED
TO THE AUTHORITY'S
'YOUR STANDARDS,
YOUR SAY' PORTAL

15,754

MEASURING
INSTRUMENTS
INSPECTED IN TRADE

1,724

NEW SOCIAL MEDIA
FOLLOWERS

69

MEDICAL DEVICE
PRODUCT CERTIFICATION

3,940

MANAGEMENT SYSTEMS
CERTIFICATIONS

Chairperson and CEO Overview

The past two years have served to reinforce our confidence in NSAI's strengths, values, resilience and contribution to business and government priorities. Again, we asked a lot of our people in 2021, and we are delighted that their efforts are reflected in our performance as detailed in this report.

The Covid-19 pandemic continued to test our purpose, people, and service model, but we can be justifiably proud of how, as a team, our people navigated the pandemic-related challenges over the past two years. We maintained our focus on the strategic imperatives and this, combined with our operational execution in meeting stakeholder requirements throughout the pandemic, put us in a strong position for the results delivered in 2021.

Operations

Our primary focus was directed to the safety and well-being of our people. However, one of the challenges of the Covid-19 pandemic has been the restrictions placed on the mobility around the business. Due to actions initiated in 2020, with remote working, pivoting of previous on-site auditing services to remote auditing, and developing on-site work practices for the National Metrology Laboratory, the NSAI services continued with limited disruption, while continuing to evolve in respect of emerging needs and trends in standards and related technologies.

As in 2020, the points of focus remained strict financial management, continuity of operational services and support for the national Covid-19 response. We also continued to support government programmes with deliverables assigned to us under:

- National SME and Entrepreneurship Growth Plan
- AI – Here for Good: National Artificial Intelligence Strategy for Ireland
- Industry 4.0 Strategy 2020-2025,
- Climate Action Plan
- Housing for All
- Remediation Scheme for Defective Concrete Blocks

Operationally, the emphasis was directed at supporting businesses to meet their certification and standardization requirements in preparation for a 're-start' and build post Covid-19 and Brexit. In this context, a significant achievement was the establishment of NSAI Certification UK Ltd. to provide Irish businesses with access to UKCA product certification, initially for Construction and Medical Device products.

Against this backdrop, NSAI delivered very strong results in 2021, across our metrics. We also outperformed our initial financial projections, which reduced the government grant requirement for 2021 by €1.9m. With the emergence from Covid-19 and the expedited resourcing of approved posts, this reduction in grant requirement will not continue in 2022.

Covid-19 Supports

As the Covid-19 environment evolved, NSAI maintained and updated the Covid-19 guides throughout 2021 to reflect changing government/health advice.

Strategy

Throughout 2021 the Board led the development of the *NSAI Strategic Plan 2022-2026 Innovating to shape a safer, better, and sustainable future*. The plan, which is closely aligned with Government initiatives and emerging opportunities, is to be launched in early 2022 based on three strategic priorities:

- Enhance NSAI's current service lines to deliver greater value to enterprises
- Innovatively create new service lines to embrace changes in Digital Transformation, Climate Action, MedTech, and the Built Environment
- Developing NSAI's organisation, talent and brand identity, as well as harnessing specialist knowledge to create and sustain value

Our new strategy has the clarity and agility to support the evolution and growth of our services. Through leveraging the expertise of our people and the establishment of centres of excellence we will make this knowledge accessible in support of key business sectors and the national response to global imperatives, such as climate change, the digital economy and Industry 4.0.

We will deliver on the strategic plan by adhering to our core values and acting consistently with our purpose. The resulting financial and non-financial value created by the strategy will make the NSAI highly resilient and sustainable into the future.

Conclusion

While Covid-19 and the uncertain geopolitical situation have reminded us of the ongoing challenges to be faced, we maintain a positive outlook for the future. Through our mission and values, we have a positive role to play for all our stakeholders. We will continue to drive a progressive agenda on issues like future jobs, housing for all, climate change, sustainability, and standards for the future.

We are committed to serving our stakeholders through our diverse range of services, which are now more relevant than ever. We trust this report will inform you of our core services, and scope of activities as we go about our day-to-day operations.

To conclude our people have delivered a strong performance in a challenging and externally volatile environment. While we are pleased with these results our new strategy sets out new and important objectives for NSAI in a global environment that continues to be difficult to predict.

Appreciation

We express our gratitude to the NSAI staff in Ireland and the US, who continued to demonstrate their resilience during 2021. We also thank the Members of the Board, and outgoing Board Members for their time and commitment.

We record our appreciation to our many committee members and industry experts for their continued commitment to the work of standardisation, which enhanced Ireland's reputation on the world stage.

We also wish to thank our colleagues in the Department of Enterprise, Trade and Employment, including the Tánaiste and Minister for Enterprise, Trade and Employment Leo Varadkar TD and Minister of State for Business, Employment and Retail, Damien English. Their ongoing support is very much appreciated.

Finally in accordance with the provisions of the National Standards Authority of Ireland (NSAI) Act 1996, on behalf of the Board and Authority, we present the Annual Report for the year ended 31 December 2021.



James Kennedy
Chairperson



Geraldine Larkin
Chief Executive Officer

Standards

A standard is a technical document that serves as a guideline, definition or norm, the central tenant of which is consensus about how to make a product, manage a process, perform a service, or supply resources. Use of standards is predominantly voluntary and have an international dimension with the NSAI library of standards largely reflecting harmonized European and international standards.

Through its consultative committee network and Irish representation on international standard committees, the NSAI facilitates input from experts and interested parties into the development of standards as Ireland's national member of international standards organisations.

Participants in standards development have benefited from knowledge transfer and innovation by exposure to the emerging standards of the future. Early adoption of standards has been shown to benefit enterprises in de-risking decision making and informing their RDI efforts. The importance of standards to SMEs as a source of competitive advantage across all sectors of business is emphasised in EU and state policy.

Due to continued Covid-19 restrictions, worldwide standards meetings continued to be held using online platforms. This had the positive impact of increased accessibility to businesses who may not have the capacity to attend international meetings.

2021 Summary

The total number of standards available in NSAI's catalogue now exceeds

24,000

1,336

standards were published

209,986

Irish users accessed standards online

271

new users registered to the Authority's 'Your Standards, Your Say' commenting portal

537

Standards Committee meetings were convened

Standards 2021 Activities in Focus

SME and Entrepreneurship

NSAI has actively supported the development and implementation of the 'National SME and Entrepreneurship Growth Plan' since its publication in January 2021. The NSAI Innovation Management Committee (NSAI TC45) focused on promoting the use of the ISO 56000 Innovation Management Standards by SMEs through awareness building and education to encourage a wider view and understanding of innovation and grow innovation capability and culture within SMEs (Action 2.4.2).

Deliverables included:

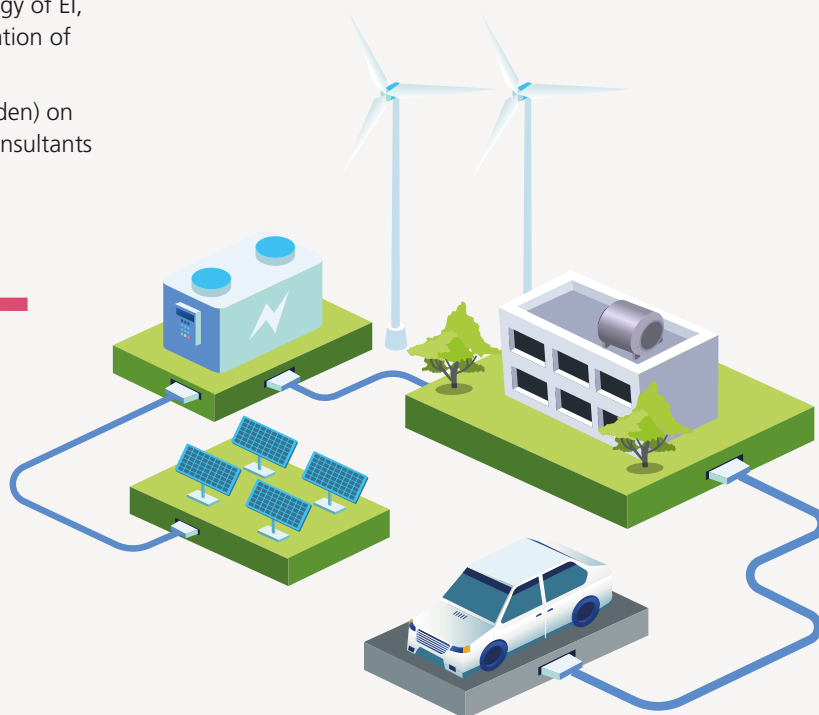
- ISO 56002 – Innovation Management System – Guidance – leading the launch of the standard and the related 'Innovation Excellence Programme' in collaboration with Skillnet Ireland, Enterprise Ireland and Industrial Development Authority.
- ISO 56005 – Intellectual Property Management – the national launch of the ISO guidance standard via a webinar with subject matter experts promoting how this new standard will help innovation-active SMEs across Ireland.
- Contributing to the development of a new 'innovation scorecard' from EI, IDA and Department of Public Expenditure and Reform – based on the ISO 56000 Series and best practices from Sweden. This 'scorecard' is now a central pillar of the innovation strategy of EI, IDA, DPER and Community Enterprise Association of Ireland.
- Partnering with RISE (Research Institutes Sweden) on the training and certification of innovation consultants who will support SMEs nationally.

Climate Action

The Climate Action and Low Carbon Development (Amendment) Act 2021 sets Ireland on a legally binding path to net-zero emissions by 2050. NSAI is among Ireland's government agencies with responsibility for supporting the Act through the development of standards across a range of related subject areas. Harnessing the power of standards, NSAI is committed to supporting and facilitating stakeholders in setting the tone for how green measures, such as home retrofitting, energy innovation and the circular economy can be utilised in Ireland.

NSAI identified and prioritised standardisation work in areas related to climate action and through its standardisation committees focused on climate action priorities such as wind energy, solar energy, alternative transportation fuels, heat, transportation electrification, and the circular economy. The Authority, in partnership with policymakers, researchers, and industry professionals, continues to identify new areas in which to commence standardisation initiatives in response to the global climate imperative.

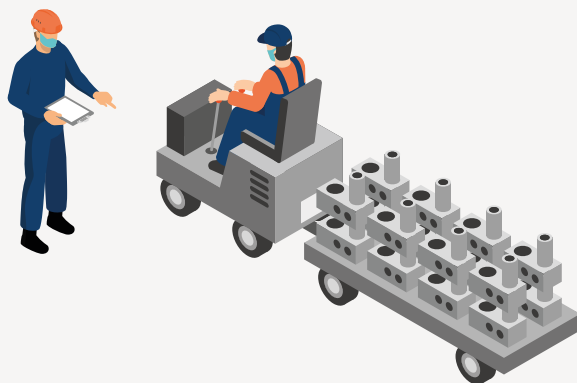
The Climate Action and Low Carbon Development (Amendment) Act 2021 sets Ireland on a legally binding path to net-zero emissions by 2050.



Standards 2021 Activities in Focus

Examples include:

- **SR 50-4:2021 Heat Pump Systems in Dwellings** which provides guidelines for the design, installation, commissioning, and maintenance of heat pump systems developed to ensure best practice in this technology which will facilitate a move to low carbon home heating.
- **Hydrogen energy** where NSAI and Gas Networks Ireland entered a secondment agreement to further standardisation activities, for hydrogen fuel as a relatively new area with great potential to be adopted nationwide. Aligned with the government's commitment into the research and development of hydrogen energy, NSAI aims to increase Ireland's pool of knowledge relating to hydrogen standardisation by drawing on the widest possible panel of experts including industry, Irish academia, and research bodies. Collaborating with NSAI's counterparts across Europe, these experts will then work to create a new and improved suite of hydrogen standards.



Artificial Intelligence (AI)

NSAI continued to provide the convenorship and secretariat to the ISO standards committee for Trustworthiness in AI. The Trustworthiness work programme has published 3 of the 10 ISO standards specific to AI and is developing a further 10 of 22 new ISO standards with Irish experts continuing to play leading roles in the development of the International and European AI standards.

In April 2021 the European Union published the draft proposed Regulation for Artificial Intelligence. Irish experts led out in providing an AI Standards Landscape to the EU Joint Research Centre (JRC) which was published by the JRC.

The AI Top Team, established by Future Jobs Ireland 2019, was tasked with setting out the accelerated adoption of AI in Ireland, while *AI – Here for Good: National Artificial Intelligence Strategy for Ireland* published by the Department of Enterprise, Trade and Employment included several actions for NSAI in respect of standards and certification which will be used to underpin both legal and ethical obligations with respect to AI.

The Top Team for Standards in AI completed a significant body of work in 2021 to be published in 2022.

Industry 4.0

Supporting Ireland's *Industry 4.0 Strategy 2020-2025*, contains NSAI deliverables represented across three of the six strategic themes of the national strategy:

- Awareness and Understanding of Concepts
- Implementation of firm-level Industry 4.0 Strategies
- Framework Conditions for Industry 4.0

During 2021, NSAI

- Published the Sectoral Study of Standards in Manufacturing which includes a standards specific guide to Additive Manufacturing.
- Established a Manufacturing specific National Mirror Committee

Ageing Society

Standards have a beneficial impact on all aspects of our daily lives, including areas that impact the health and wellbeing of society. In 2021 stakeholders representing persons with or affected by dementia participated in the development of the ISO standard: ISO 25552:2022 Ageing societies – Framework for dementia-inclusive communities.

Reflecting the benefits and opportunities for Universal Design (the act of designing and arranging an environment such that it can be accessed, understood, and utilised by everyone, regardless of age, size, aptitude, or disability) NSAI hosted a specific webinar on emerging opportunities in design standards for our built environment, focusing on the important topic of emerging opportunities in design standards for our built environment: well-being, inclusion and Universal Design.



Hydrogen energy where NSAI and Gas Networks Ireland entered a secondment agreement to further standardisation activities, for hydrogen fuel as a relatively new area with great potential to be adopted nationwide.

National Metrology Laboratory

The National Metrology Laboratory (NML) is Ireland's national metrology institute and as such is the custodian of measurement in Ireland. Commerce, science, government, education and law all demand accurate, dependable, and consistent measurement standards, which are represented by the International Systems of Units (SI), the world's most widely used measurement system.

Part of NML's core responsibility lies in establishing, maintaining, and developing national standards for physical units, as well as disseminating them to Irish users, particularly those in the manufacturing and pharmaceutical industries. During 2021, the laboratory maintained on-site operations providing essential measurement services to Irish industry throughout the Covid-19 pandemic. Measurement science is vital for facilitating commerce, fostering innovation, and ensuring that citizens are protected. It plays a critical role in ensuring that we have economic growth in an environment that is safe and secure, while also supporting the technical measurement needs of global concerns like climate change.

NML's measurement standards are the most accurate representations of SI units available in Ireland, and they serve as a bridge between measurement results and the International System of Units (SI) for physical quantities such as mass, length, temperature, humidity, pressure, voltage, resistance, capacitance, pressure, force, torque, frequency, time intervals, and sound levels. In accordance with ISO 17025, NML disseminates these measurement standards through a comprehensive variety of calibration services. NML also offers services such as training, competency testing, and consulting.

2021 Summary

2

new National Measurement Standards commissioned

4,762

instruments calibrated for enterprises, with demand for services remaining strong

Participation in
3

European Metrology Programmes for Innovation and Research (EMPIR) research projects

457

research days completed

5

scientific research papers co-authored

12

training courses delivered

National Metrology Laboratory

2021 Activities in Focus

National Timescale [UTC (NSAI)]

After extensive analysis, the NML's primary caesium frequency standard was officially accepted by the BIPM as one of the 14 atomic clocks now contributing globally to the calculation of International Atomic Time (TAI) and Coordinated Universal Time (UTC) through Circular T 394. As a result of this recognition the NML can now maintain an internationally recognised National Timescale [UTC (NSAI)] traceable to UTC and has commenced investigating the dissemination of this timescale to interested organisations and bodies throughout the country. This primary standard also provides direct traceability to the SI definition of the second, further improving NML's time and frequency calibration capabilities.

National measurement standard for DC voltage

The new primary voltage standard, based on the Josephson effect, was successfully commissioned. This is a cryogenic system that uses liquid helium to cool the Josephson device. Taking advantage of a quantum mechanical effect, this device produces an output voltage that depends only on fundamental constants and frequency. As a result of the recent redefinition of the SI base units in 2019, this means that the standard provides a primary realisation of the voltage unit and NML no longer depends on the external calibration of artefact voltage standards to maintain the national measurement standard for DC voltage.

Research

Research continues to be a core component of NML's work with participation on three EU EMPIR research projects during 2021:

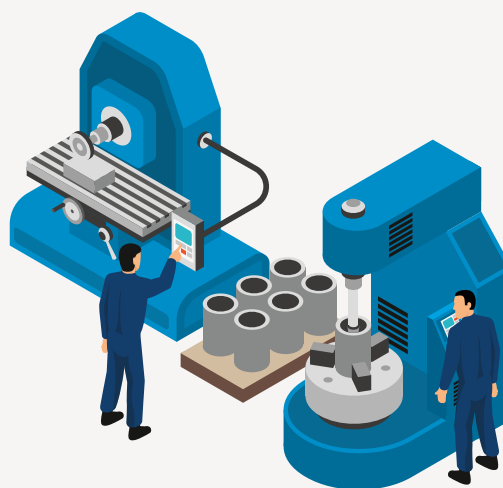
- The Versatile electrical Impedance Calibration Laboratory based on digital impedance bridges (VersICaL) joint research project for the improvement of the European measurement infrastructure for electrical impedance measurement in the audio frequency range, which was coordinated by NSAI, was successfully completed on time and within budget.
- adOSSIG research project to develop an infrastructure for improved and harmonised metrological checks of blood-pressure measurements in Europe aims to eliminate the risk of imprecision in devices used to measure blood pressure by developing an advanced Oscillometric Signal Generator (aOSG)
- RealMass project which commenced in 2021 aims to improve the realisation of the mass scale.

NML also became a partner in the EURAMET projects:

- LegalEVcharge "Practical legal metrology framework for electrical vehicle charging stations".
- The Mathmet project aims to improve the quality, efficiency and dissemination of measurement uncertainty training. NML is a partner on this project with 15 other partners from European National Metrology Institutes.

NML co-authored five scientific publications during 2021:

- 'Physiology-based patient simulator for blood pressure meter testing' – Measurement Sensors Publication
- 'Smart specialisation concept in metrology for blood and intraocular pressure measurements' – Measurement Sensors Publication
- 'A Comprehensive Analysis of Error Sources in Electronic Fully Digital Impedance Bridges' – IEEE Transactions on Instrumentation and Measurement
- 'Metrology of Zener-based secondary voltage standards' – Measurement Science & Technology
- 'Why and how to improve the subdivision technique in mass metrology' – Measurement Sensors Publication.



Measurement science is vital for facilitating commerce, fostering innovation, and ensuring that citizens are protected.

Legal Metrology

Legal Metrology (LM) is NSAI's regulatory function responsible for upholding and enforcing accuracy and transparency in trade measures. This is achieved by inspection and certification of measures and measuring equipment used for trade in accordance with the Metrology Acts of 1980 to 2017.

The service uses a risk-based inspection approach model that covers 40,000 traders and 75,000 measuring instruments across the country with inspectors having the authority to investigate and prosecute breaches of the law.

Covid-19 continued to have an impact on the on-site inspection activities during 2021, particularly during periods of Level 5 restrictions.

2021 Summary

5,428

traders visited

15,754

measuring instruments
inspected

6

targeted inspection
campaigns
undertaken

177

warning notices
issued per 1,000
inspections

Legal Metrology 2021 Activities in Focus

Co-operation with Sea Fisheries Protection Authority (SFPA)

NSAI entered into a Memorandum of Understanding with the SFPA. To increase awareness in the sector NSAI hosted three webinars for SFPA Protection Officers focusing on the compliance of weighing instruments used in the sector.

Inspection Campaigns

Six inspection campaigns were undertaken in the following industry sectors:

- **Fisheries** – completed an inspection campaign of pelagic fish processors in late March 2021, with no non-compliances detected
- **Taxis** – three out-of-hours inspections were undertaken with a focus on taximeters. Approx. 1,200 taximeters were inspected with a 94% compliance rate detected
- **Meat Plants** – nationwide meat plant inspection campaign was completed in the latter part of 2021, with a 90% compliance rate detected
- **Weighbridges and Liquid Fuel Dispensers** – NSAI participated in an EU project that investigated compliance from a market surveillance perspective with the report's publication expected in Q3, 2022.

Regulations

During 2021 the Director of Legal Metrology made two sets of regulations:

- Legal Metrology (General) (Amendment) Regulations 2021, S.I. No 584 of 2021 in effect from 12 November.
- Legal Metrology (Marks) Regulations 2021, S.I. No. 488 of 2021 in effect from 28 September.

Taxi Compliance Campaign

Legal Metrology Inspectors routinely inspect taximeters to determine compliance in design, functionality and accuracy of the taximeter when in use. Inspections typically take place at taxi ranks or at locations where taxis are active. A nationwide taxi inspection campaign was conducted 11-13 November. During these inspections, inspectors examined the security seals on the taximeters to ensure they were intact and free from tampering while also checking the software version to determine the correct fare was in use. Over 1,200 taximeters were inspected with a 94% compliance rate detected. All non-compliances detected were of a minor nature. Warning notices were issued for the non-compliant taximeters and all were brought into compliance within the allocated timeframe by the operators.

Complaints

Legal Metrology received and investigated 42 complaints from the public concerning suspected short measures in 2021.

Fisheries – completed an inspection campaign of pelagic fish processors in late March 2021, with no non-compliances detected.

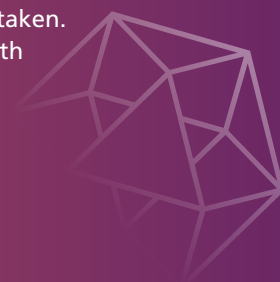


Certification

NSAI Certification creates, maintains, and promotes certification schemes for products, services, and processes. NSAI offers a diverse range of both accredited – approved by the Irish National Accreditation Board (INAB), and non-accredited certification schemes, to support Irish business needs. There are many benefits to businesses seeking NSAI certification, primarily it demonstrates that your business is run effectively and declares it to be in conformity to recognised international standards. The process of achieving and maintaining the certification also helps ensure that businesses are continually improving.

Product Certification (CE Marking)

CE marking on a product is the manufacturer's declaration that their product complies with the essential requirements of all the EU Directives/Regulations that apply to it. CE marking is a legal requirement for the making available of certain products on the market in the European Union and EEA member states. The affixing or application of CE marking is the responsibility of economic operators however, not all products require third party conformity assessment to be undertaken. Where permitted in law the manufacturer may provide a self-declaration of compliance with the essential requirements or relevant harmonised European standards.



2021 Summary

3,940

management system certifications, of which 82% were to SME's, to enable Irish enterprises improve quality, efficiency, resilience, and placement of goods on the market through the application of Quality, Environmental, Health & Safety management and Excellence through People standards

Development work initiated on proposed Law Society and Innovation Management schemes

ETP network meetings delivered addressing areas such as diversity, learning & development and managing wellbeing during the Covid-19 pandemic

Creation of a new Cyber Security project website – A4CEF.eu

Certification 2021 Activities in Focus

NSAI provides certification services where Directives and Regulations require products or production systems to be independently tested, certified or inspected. NSAI is the Notified Body (NB) under EU legislation for the following product categories:

- Medical Devices
- Construction Products
- Measuring Instruments

Businesses seeking conformity assessment must demonstrate and maintain suitable product and manufacturing control mechanisms in place to ensure products comply with the appropriate standards.

Management System Certification

Management System Certification offered by NSAI supports an organisation's knowledge management in a variety of areas of the management process, increasing efficiency and reducing risk.

Internal quality processes and other processes can be established, maintained, and improved using a proven management system certification framework with Management System Certification serving as a global benchmark for market access.

Obtaining NSAI certification gives companies a competitive advantage when it comes to winning new business at home and abroad.

Certification in 2021

The delivery of certification service delivery has been dramatically transformed in the shadow of Covid-19. During 2021, NSAI's pivot from on-site auditing processes to virtual working environment continued to be instrumental in the maintenance of robust certification services and facilitated organisations to continue to use standards for competitive advantage.

To address clients' needs in respect of the UK market the establishment of NSAI Certification UK Ltd will provide a route to UKCA marking to Irish businesses accessing the UK market, initially for construction products and medical devices.

The commitment of Irish business to the adoption of standards was manifested in the #NSAIGetCertified as the hashtag for a month-long social media campaign in August 2021. With video greetings from Minister Damien English and NSAI CEO Geraldine Larkin, the campaign

was a success with NSAI clients and followers, garnering over 50,000 impressions on social media and 27 articles in local publications.

Business Excellence

Focuses on management systems certification which improve efficiency and effectiveness of company operations.

The range of Management Systems offered by NSAI include:

- Quality Management (ISO 9001)
- Environmental Management (ISO 14001)
- Occupational Health and Safety Management (ISO 45001)
- Information Security (ISO 27001)
- Energy Management (ISO 50001)
- Excellence through People.

Business Excellence continued to improve its service offering in 2021 with a new pilot certification scheme in Cybersecurity with European partners in France and Cyprus.

Work on a certification scheme in innovation with Swedish partners RISE is almost complete with the service set to go live in Quarter 2 2022.

A4CEF Cybersecurity

In 2021, NSAI secured EU funding under Connecting Europe Facility (CEF) Telecom Work Programme, to develop capabilities as a Conformity Assessment Body (CAB) under the EU Cybersecurity Act and provide 800 training hours to Irish SME Cloud Service Providers (in addition to the other stakeholders at national and EU levels).

Supported by the European Union and working with partners in Cyprus and France the A4CEF project will build capabilities, contributing to the European Cybersecurity Certification Framework (ECCF) and the EU Cloud Services (EUCS) scheme.

Certification to recognised cybersecurity standards will help companies and organisations across Ireland and the rest of Europe to secure their data and IT infrastructure and help them mitigate the risks associated with cyber-attacks.

Certification 2021 Activities in Focus

2021 Summary

Automotive

Motor Vehicle Approvals were issued during 2021 in the following categories

8,362

3,115

Individual Vehicle Approvals for Disabled Drivers

1,403

Individual Vehicle Approvals for other vehicle categories

3,751

EU/UN approvals of vehicles, systems and components

93

National Small Series Type-Approvals were issued during 2021

Food Sector

Management Systems Certificates supporting Food Safety Management FSSC22000/ISO22000

302

Market and Regulatory Support

Provides certification schemes that support implementation of National and EU regulations.

European (EC) Type Approval

Technical harmonisation in the EU is based on the Whole Vehicle Type-Approval System (WVTA). Under the WVTA, a manufacturer can obtain certification for a vehicle type in one EU country, in Ireland from NSAI, and then market it EU-wide without the need for further tests. This system significantly contributes to the completion of single market in automotive products.

Automotive First In-Service Conformity annual report

Automotive Type-approval is the process applied by national authorities to certify that a model of a vehicle meets all EU safety, environmental and conformity of production requirements before allowing it to be placed on the EU market. Type-approval helps remove barriers to trade for manufacturers and ensures that new vehicles are manufactured to prescribed safety and environmental standards.

NSAI is the designated Approval Authority for both the EC and UN-ECE Motor Vehicle Type Approval Schemes in Ireland to ensure that vehicles are compliant with all EU safety, environmental and conformity of production requirements.

NSAI is the Granting Type-Approval Authority (GTAA) and as such in 2021, published its first annual report on the results of the in-service conformity checks.

Food Safety System Certification 22000 (FSSC 22000)

A Global Food Safety Initiative (GFSI) recognised, and internationally accepted food safety certification based upon the core ISO standard approach, FSSC 22000 is comprised from a combination of standards and requirements and can be adapted to businesses across the food chain. ISO 22000 is an internationally developed and approved standard that defined the essential elements of a robust Food Safety Management Systems. The standard is designed to help organisations at every level of the supply chain to identify, assess and mitigate against intrinsic and extrinsic risks to safety of the product(s) and the food safety management system itself.

Certification 2021 Activities in Focus

2021 Summary

Sustainability and Built Environment

774

Construction Products Agreement and CE Marking certifications

Certification scheme in Modern Methods of Construction (MMOC) launched, introducing onsite oversight of MMOC products and building systems a key deliverable in 'Housing for All – a New Housing Plan for Ireland' the government's housing policy to 2030

269

insulation installers certified

Applied for accreditation in the UK to offer Irish construction product manufacturers UKCA marking which will be a mandatory requirement for access to the UK market from 1 Jan 2023

Sustainability and Built Environment

Supports the construction and sustainability sector by providing certification under the Construction Products Regulation harmonised rules for the marketing of construction products in the EU.

Certification in Modern Methods of Construction

In 2021, NSAI launched Certifications on the construction stage and sign-off on Modern Methods of Construction (MMOC) products and building system installation compliance under Building Regulations.

Through the scheme NSAI certifies innovative offsite construction products through the application of rigorous standards looking at all aspects of the process from components, manufacturing processes, onsite visits, to final sign-off.

NSAI certification ensures certified products are 'proper materials' suitable for their intended use under Irish site conditions, and per the Building Regulations 1997 to 2019. The emphasis on quality control ensures compliance with established standards and provides reliable and precise building materials to the construction industry here.

NSAI have worked with Ireland's leading offsite manufacturers in the development of their products to a stage where they can be certified to comply with Irish Building Regulations.

Medical Devices

NSAI offers a full range of services relating to Management System Standards and product certification for medical device manufacturers.

NSAI's designation to European Medical Device Regulation (MDR) is an essential service to both the national and international clients in the MedTech sector. While the MDR was due to become fully applicable on 26 May 2020 after a three-year transition period, due to the impact of Covid-19, full application of the MDR was postponed and became applicable on 26 May 2021. However, the application MDR has proved a challenge for the sector as companies became familiar with the requirements of the regulations and this has impacted on the processing of product approvals.

From 2022, NSAI will be positioned to provide certification in accordance with the In Vitro Diagnostic Device Regulation (IVDR).

The MDR and IVDR replace the original Directives, which have been in force for almost 25 years, and constitute a significant development and strengthening of Europe's existing regulatory system for medical devices.

Certification 2021 Activities in Focus

2021 Summary

Medical Devices

69

Medical Device Product
Certifications issued

125

site audits completed

1st

certificate under MDR
issued to Class Medical

Application made for
NSAI designation under
the IVDR

Medical Device Regulation – MDR

With the release of the Medical Device Regulation (MDR) 2017/745/EU, the EU issued the first new guidance governing medical devices regulations in more than 20 years.

NSAI was approved for designation to the new MDR in February 2020, making it the only Irish Notified Body designated to approve such products. Putting the NSAI amongst an elite group of certifying bodies worldwide to achieve this designation has ensured continued access to the European medical devices market for clients.

In February 2021 NSAI Medical Devices certified its first device to the new EU regulations, Limerick-based company, Class Medical.

In-vitro Diagnostic Device Regulation – IVDR

The IVDR is a regulatory revamp of the European Union's pre-market and post-market criteria for IVD equipment. It came into force in May 2017, with a five-year transition period that ends in May 2022.

NSAI Medical Devices have been preparing for the transition throughout 2021 to ensure a smooth transition to the new regulations.

Post-Brexit Preparations

Running in parallel to these activities the spectre of UK divergence in a post-Brexit environment was central to the NSAI's response plan with the establishment of NSAI Certification UK Ltd. Through this company NSAI clients will be able to apply for UKCA marking, which is currently a prerequisite for placement of medical devices on the UK market from January 2023.



NSAI was approved for designation to the new MDR in February 2020, making it the only Irish Notified Body designated to approve such products.



Taxis – three out-of-hours inspections were undertaken with a focus on taximeters. **1,200** taximeters were inspected with a **94%** compliance rate detected.

NSAI Inc.

NSAI Inc. offers a full range of services relating to Management System Standards and Medical device certification schemes to a US and an international client base. NSAI is authorised for MDSAP through NSAI Inc which has brought strong growth in certification activity.

Medical Device Single Audit Program

NSAI is authorised through NSAI Inc. for the Medical Device Single Audit Program (MDSAP) which has brought strong growth in certification activity. The Medical Device Single Audit Program (MDSAP) The MDSAP is a way that medical device manufacturers can be audited once, in this case by NSAI, for compliance with the standard and regulatory requirements of up to five different medical device markets of Australia, Brazil, Canada, Japan and the United States.

Range of Schemes

NSAI Inc. certification schemes reflect those of NSAI Ireland and include:

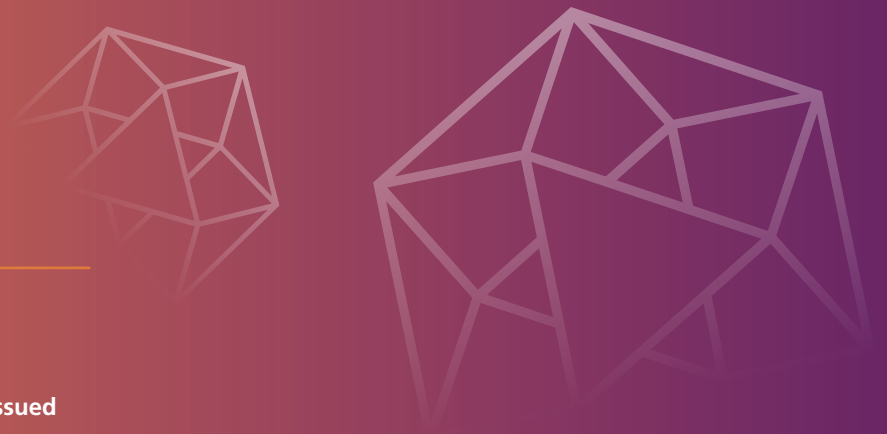
- ISO 9001 – Quality Management Systems
- ISO 14001 – Environmental Management
- ISO 27001 – Information Security Management
- ISO 50001 – Energy Management
- R2 – Responsible Recycling (Electronics).

Consequently, the subsidiary is a significant contributor to the scope of NSAI's competencies required to provide certification services.

2021 Summary

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Medical Device Product Certifications issued



Governance Statement and Board Members' Report

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.

NSAI's delivers metrology, standardisation, and conformity assessment services in accordance with the functions in the following primary Acts:

- National Standards Authority Act 1996;
- Metrology Act 1996;
- Packaged Goods (Quantity Control) Act 1980;
- Legal Metrology (Measuring Instruments) Act 2017.

The NSAI is a Public Benefit Entity (PBE) operating under the aegis of the Minister for Enterprise, Trade and Employment who is empowered to; provide funds to the NSAI to enable it to discharge its obligations; to issue general policy directives; and to seek information on the NSAI's activities.

Governance

The Board is accountable to the Minister of State at the Department of Enterprise, Trade and Employment with responsibility for Business, Employment and Retail and is responsible for ensuring good governance. The Board performs this task by setting strategic objectives and targets and taking strategic decisions on key business issues.

The day-to-day management and control of NSAI is the responsibility of the Chief Executive Officer (CEO) and the executive management team. The CEO and the management team implement the broad approved strategic direction and ensures that Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and the management.

The Authority operates in accordance with the Code of Practice for the Governance of State Bodies 2016 (the Code) and updates as issued by the Department of Public Expenditure and Reform (DPER).

Board Structure

The Minister appoints the Members, in accordance with the provisions of the NSAI Act 1996, from among those interests involved in the process of standardization and certification of commodities, processes and practices, without any single interest predominating.

The Board comprises thirteen members; a Chairperson and 11 Members, all of whom are appointed by the Minister of State at the Department of Business, Enterprise and Innovation with responsibility for Business, Employment and Retail. The Chief Executive Officer is an *ex-officio* member for the term of her contract.

Members are appointed to the Board annually, following the retirement of the three longest serving Members on the anniversary of the NSAI establishment day.

Board Responsibilities

The role and responsibilities of the Board are set out in the NSAI Governance Manual which also contain the matters specifically reserved for Board decision. Items on the Board agenda include:

- Declaration of interests
- Strategic oversight and direction
- Financial management and reporting
- Key Performance Indicators
- Risk Management
- Corporate Governance
- Sub-committee reports, and
- Matters Reserved to the Board.

The Board is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Authority including the wholly owned subsidiaries, NSAI Inc. and NSAI Certification UK Ltd.

In accordance with the NSAI Act 1996, First Schedule Paragraph 8(2), NSAI is required to keep, in such form as may be approved of by the Minister for Enterprise, Trade and Employment, with the consent of the Minister for Finance, all proper and usual accounts of money received and expended by it and to keep in such form as aforesaid all special accounts as the Minister for Enterprise, Trade and Employment may from time to time direct.

In preparing the financial statements, the NSAI 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 NSAI will continue in operation.

The Board considers that the financial statements of NSAI give a true and fair view of the financial performance and the financial position of NSAI at 31 December 2021.

The Board is also responsible for:

- safeguarding assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- Approving the strategic plan and annual budgets.
- Evaluating the performance of NSAI, by reference to KPI reporting and financial management reports to the Board.

The Board convened 6 meetings in 2021 and the schedule of attendance at the Board and Committee meetings for 2021 is set out below, including the fees and expenses paid to each member in the year.

Board Fees and Expenses

Board Members fees are discharged in accordance with the Warrant of Appointment. Expenses are processed at the rates and subject to the regulations appropriate to Civil Servants of the highest grade.

Board Effectiveness and Evaluation

The Board undertook an internal Board Effectiveness Review in December 2021 which was reviewed and adopted by the Board in February 2022.

Committees of the Board

The Board has established three committees. The Members of the Committee during 2021 are detailed in the Schedule of Members Meeting Attendance, Fees and Expenses.

Audit and Risk Committee (ARC)

The ARC is a core component of governance and of the systems of internal controls implemented by the Board. The role of the ARC is to support the Board in relation to its responsibilities for the control environment, risk management, financial reporting, and associated assurances. The Committee ensures that the internal control systems including audit activities are independently monitored. The ARC reports to the Board after each meeting, and formally in an annual report to the Board. The Committee operates under terms of reference approved by the Board and convened five meetings in 2021. Management attend on request of the and the ARC Members meet with the auditors annually in the absence of management.

Nominations Committee

The role of the Nominations Committee is to review and make recommendations to the Board regarding appointments and succession planning considering skills and competencies required by the Board in the context of the strategy, challenges, and opportunities of the NSAI. In the absence of the Chief Executive, the committee also supports the Boards requirements for appointment and performance of the Chief Executive. The Committee operates under terms of reference approved by the Board and convened three meetings in 2021.

Governance Committee

The role of the Governance Committee oversight and development of corporate governance to ensure NSAI complies with the Code of Practice for the Governance of State Bodies. The Committee review and recommend for Board approval corporate governance guidelines for Board approval. The Committee operates under terms of reference approved by the Board and convened two meeting in 2021.

NSAI Inc.

NSAI Inc. was established in New Hampshire, USA on 1 July 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 US entity complies with the requirements of US federal and state regulations.

The subsidiary is subjected to the specific management and procedural controls approved by the Board of NSAI Inc. and are included within these overall statements of compliance and effectiveness of controls. Three members of the NSAI Inc. Board are members of the NSAI Board.

The NSAI Inc. Board operates in accordance with governance procedures approved by the Board and convened 4 meetings in 2021.

Meetings Attended

Ms V Bowens – Chairperson	4
Mr P Devereaux	4
Ms G Larkin – Chief Executive	4
Mr K Mullaney	4

NSAI Certification UK Ltd.

NSAI Certification UK Ltd. was established on 15 July 2021, as a company limited by shares, wholly-owned by the NSAI, for the purpose of providing UKCA marking to Irish businesses accessing the UK market, initially for Construction and Medical Devices products.

The NSAI UK Board operates in accordance with a Memorandum of Understanding approved by the Board and convened 1 meeting in 2021.

Meetings Attended

Mr J Kennedy – Chairperson	1
Mr W Egerton	1
Mr C Verdon	1
Ms G Larkin	1

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that the NSAI has complied with the requirements of the Code of Practice for the Governance of State Bodies 2016 and addendums ("the Code"), as published by the Department of Public Expenditure and Reform. Following a review of the Authorities compliance with the Code and its Assurance Framework the Members are satisfied that the disclosure requirements of the Code have been fully discharged within the notes to the Financial Statements including:

- Travel and Subsistence Expenditure – Note 3
- Consultancy – Note 3
- Hospitality – Note 3
- Employee's benefits breakdown – Note 3

Key Personnel Changes

There were no changes to key personnel during 2021.

Statement on Internal Controls

A comprehensive Statement on Internal Control is included with the Financial Statements.

Legal Costs and Settlements

There were no legal settlements. Legal fees are disclosed under consultancy costs in accordance with the Code.

Schedule of Members Meeting Attendance, Fees and Expenses

Board Members	First Appointed	Retired/ (Reappointed)	Board and Committee Members Attendance				Fees 2021	Expenses 2021
			Board	Audit and Risk Committee	Nominations Committee	Governance Committee		
			6 Meetings	5 Meetings	3 Meetings	2 Meetings		
Mr J Kennedy <i>Chairperson</i>	9 April 2018	Presented for retirement 14 April 2021 (Note 3)	6 (6)	–	3 (3)	–	11,929	–
Ms V Bowens	12 May 2014	–	6 (6)	–	–	2 (2)	7,668	584
Mr D Casey	15 December 2021	–	0 (1) (Note 2)	–	–	–	–	–
Mr P Devereux	30 May 2019	–	6 (6)	4 (5)	–	–	7,668	–
Mr W Egerton	17 September 2020	–	6 (6)	5 (5)	–	–	7,668	–
Ms E Felten	17 September 2020	–	5 (6)	–	–	2 (2)	0 (Note 1)	–
Ms A Gleeson	17 September 2020	–	6 (6)	5 (5)	–	–	7,668	–
Ms A Goggin <i>Deputy Chairperson</i>	31 January 2013	–	6 (6)	–	2 (3)	2 (2)	0 (Note 1)	–
Ms M McKeown	6 November 2019	14 April 2021 <i>Reappointed 24 June 2021</i>	4 (5)	–	–	2 (2)	0 (Note 1)	–
Ms M O'Connell	30 May 2019	–	6 (6)	5 (5)	3 (3)	–	7,668	–
Mr B Smith	17 April 2018	14 April 2021 <i>Reappointed 24 June 2021</i>	5 (5)	–	–	2 (2)	0 (Note 1)	–
Mr C Verdon	16 April 2019	–	5 (6)	4 (5)	2 (3)	–	0 (Note 1)	–
Ms G Larkin – <i>Chief Executive Officer Ex-officio member</i>	20 February 2017	–	6 (6)	–	3 (3)	–	0 (Note 1)	–
Total Fees and Expenses							€50,269	584

1. Remuneration not payable in accordance with OPOS principals
2. Notification of appointment insufficient for attendance at December meeting.
3. Continuity of appointment confirmed in accordance with Warrant of Appointment.

Wider Governance Environment

In addition to its own governing legislation and the Code, the NSAI is also required to comply with a range of other statutory (national and EU) and administrative requirements. It has put in place procedures to ensure compliance with the following specific requirements:

EU Regulation No. 1025/2012 on European Standardization

NSAI has been notified by the Department of Business, Enterprise and Innovation as the national standards body for CEN, CENELEC and ETSI under the EU Regulation on Standardization and is required to publish an annual report on standardization activities.

Ethics in Public Office Act 1995 and Standards in Public Office Act 2001 and ensuing regulations

In accordance with the provisions of the Acts, all Members and staff holding designated positions are required to comply with the provisions of the Acts.

Employment Equality Acts 1998 to 2021 and the Equal Status Acts 2000-2018

NSAI is committed to a policy of equal opportunity and adopts a positive approach to equality in the organisation. NSAI provides several schemes, such as staff development, career breaks and flexible work arrangements which contribute to the development of a balanced work/life environment for all staff.

A policy on Dignity at Work is in place.

Safety, Health and Welfare at Work Act 2005

NSAI takes appropriate measures to protect the safety, health and welfare of all employees and visitors in compliance with the provisions of this Act.

Worker Participation (State Enterprises) Act 1998

NSAI is not a designated body for the purposes of the Act. The NSAI observes the procedures in these Acts to provide for staff representation on the Board.

Protected Disclosures Act 2014

The NSAI received one protected disclosure during the reporting period 1 January 2021 to 31 December 2021. The disclosure was made by a party external to the organisation and related to a third party. The disclosure was referred to an NSAI Certification Officer for investigation and was closed out.

No internal disclosures were received.

Freedom of Information 2014

NSAI complies with the provisions of this Act. The Act establishes the following statutory rights:

- Access to information held by public bodies;
- To have official information held by a public body relating to that individual amended where it is incomplete, incorrect or misleading; and
- Access to records on decisions affecting oneself taken by that public body.

Requests for information should be addressed to the Freedom of Information Officer, NSAI, 1 Swift Square, Northwood, Santry, Dublin 9.

Data Protection Acts 1988 and 2018

NSAI complies with the provision of these acts and the GDPR.

Public Procurement Guidelines Circular 40/2002

NSAI ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with relevant guidelines.

The NSAI had two non-competitive procurements of more than €25,000 during 2021, amounting to €73,300.

Public Spending Code

NSAI has established procedures which are consistent with the principles set out in this code.

Prompt Payment of Accounts Act 1997

The Prompt Payment of Accounts Act 1997 was amended by the European Communities (Late Payments in Commercial Transactions) Regulations 2002. Management is satisfied that NSAI complied with the provisions of the Act in all material respects.

Prompt Payment to Suppliers

NSAI is committed to ensuring that all valid suppliers' invoices are paid promptly, under the 15-day Prompt Payment Rule and reports performance quarterly on the website.

Energy Efficiency

NSAI is committed to energy efficiency. The SEAI 2021 Annual Report on Public Sector Energy Efficiency Performance is reporting that NSAI's 2020 energy consumption was 21.9% less than 2019 and has achieved an overall 44.5% energy saving since efficiency baseline.

The NSAI participates in framework agreements for the supply of electricity and gas procured centrally by the National Procurement Service.

Customer Charter

NSAI's Customer Charter sets out our commitment to quality services to our customers and is available in Irish and English at the "About NSAI – Need to Get in Touch – Customer Service Promise and Complaints Procedure" section of the website. The Charter includes information on compliance with the Ombudsman Act and the Ombudsman for Children Act.

Official Languages Act 2003-2021

In accordance with Section 10 of the Act, the Annual Report is published in Irish and English.

Open Data and Reuse of Public Sector Information

NSAI complies with the requirements regarding licencing of information for reuse.

Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code.

The continuation of COVID-19 restrictions in 2021 challenged all organisations, including NSAI. NSAI's pivoting from on-site and face-to-face services to a remote working environment sustained service delivery while maintaining an appropriate control environment.

In February 2022, the Board undertook a review of the 2021 internal control environment and the NSAI assurance framework. Based on this review the Board confirms a reasonable assurance on the internal control environment and that NSAI has complied with the Code of Practice for the Governance of State Bodies for 2021.



James Kennedy
Chairperson

27 September 2022



In all service areas, given the travel restrictions presented by the Global Pandemic NSAI Inc. has continued with remote auditing process' and procedures to support our Global client base.

2021 Consolidated Financial Statements

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Statement on Internal Control

Scope of Responsibility

On behalf of The National Standards Authority of Ireland (NSAI) we acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated within the organisation which includes NSAI's wholly-owned subsidiary NSAI Inc. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016). The system of internal control includes financial, operational and compliance controls and risk management systems that support the achievement of NSAI's strategic priorities whilst also safeguarding the public and other funds and assets for which NSAI is responsible.

Purpose of the System of Internal Control

The system of internal control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions appropriately authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way and that corrective action is effected where necessary. The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in NSAI for the year ended 31 December 2021 and up to the date of approval of the financial statements.

Control Environment, Risk and Procedures

NSAI has an Audit and Risk Committee (ARC) comprising Board members with financial and audit expertise. The ARC met on 5 occasions in 2021. Internal Audit function (outsourced service) and its work programme is informed by analysis of risk and control issues within NSAI. The internal audit plan is approved by the ARC and advised to the Board. In addition, the NSAI is also subject to accreditation, quality management and other reviews which are undertaken by third parties and considered by Management.

NSAI has Governance and Nominations committees comprising of board members with terms of reference approved by the Board. These committees provide regular reports to the Board.

NSAI has an overall risk management framework and process which includes a risk management policy and a risk appetite statement. The risk management policy is available to all staff. There is a Chief Risk Officer Role.

The corporate risk register is considered by Management pre review by the ARC and presentation to the Board. Risk management is a regular Board agenda item.

The Board has taken steps to ensure an appropriate control environment is in place with the following elements:

- a Code of Business Conduct requiring Board members, management and staff to maintain the highest ethical standards,
- ensuring compliance with the requirements in the Ethics in Public Office Acts,
- policies and procedures for staff performance management and continuing professional development,
- systematic reviews by Internal Audit of internal controls and risk issues,
- documented procedures for all key business processes,
- specific training and awareness programmes designed to mitigate identified risks related to current and emerging threats and significant compliance issues,
- matters reserved for the Board decision,
- the assignment of financial responsibilities and corresponding accountability at management level,
- a comprehensive budgeting system with an annual plan and budget which is subject to Board approval,
- systems and procedures in place aimed at ensuring the security and resilience of the information technology systems,
- financial control systems in place to ensure stewardship of financial resources and the safeguarding the assets,
- procedures for determining and reporting significant control failures and ensuring appropriate corrective action.

Impact of COVID-19 on the Risk and Control Framework

NSAI has continuously assessed its control framework following the outbreak of Covid-19 and the move to remote working for all staff. Existing secure technology platforms were extended to all staff to facilitate remote working and enhanced cyber security measures including training and testing were implemented. The impact of risks arising from COVID-19 are assessed as part of the Authority's risk management process and NSAI will continue to take all necessary actions to mitigate all material risks identified.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes in a timely manner. Where control deficiencies are identified the necessary improvements are agreed with those responsible for taking corrective action and appropriate reporting made to management, the ARC and the Board as appropriate.

The system of internal control is based on a framework of regular management reporting, administrative procedures including segregation of duties and a system of delegation and accountability.

In particular, it includes:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- ongoing monitoring by the Board of the approved annual plan and budget including KPIs, and
- regular reviews by senior management of periodic and annual performance of both financial and non-financial reports which indicate performance against budgets and objectives.

Procurement

NSAI has a dedicated procurement officer/procurement function. The procurement arrangements include annual procurement plan, regular procurement updates for managers, the use of OGP Frameworks and the use of mini-competitions as appropriate to the needs of the organisation.

We confirm that NSAI has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2021 NSAI complied with those procedures.

Review of Effectiveness

We confirm that NSAI has procedures to monitor the effectiveness of its risk management and control procedures. NSAI's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work and the senior management within NSAI responsible for the development and maintenance of the internal control framework.

We confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2021 at the Board meeting on 24 February 2022. This review was informed by the formal report on the internal controls environment by the ARC and internal audit assurances, which were considered as an item on the ARC meeting agenda on 17 February 2022.

Internal Control Issues

No weaknesses in internal control were identified which have resulted in material losses in relation to 2021 that require disclosure in the financial statements.

An unprompted voluntary disclosure made to Revenue in 2019 in respect of the application of relevant contracts tax was closed by Revenue on 24 March 2022 with all queries addressed. The deemed appropriate penalty by Revenue in 2021 was €2,096 and payment for this was issued at that time.

On behalf of the Board



James Kennedy
Chairperson

27 September 2022



Geraldine Larkin
Chief Executive Officer

27 September 2022

Comptroller and Auditor General Report

For Presentation to the Houses of the Oireachtas

Opinion on the financial statements

I have audited the financial statements of the National Standards Authority of Ireland for the year ended 31 December 2021 as required under the provisions of paragraph 8 of the First Schedule of the National Standards Authority of Ireland Act 1996. The financial statements comprise

- the consolidated statement of income and expenditure and retained revenue reserves
- the consolidated statement of comprehensive income
- the consolidated statement of financial position
- the NSAI statement of financial position
- the consolidated statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of National Standards Authority of Ireland at 31 December 2021 and of its income and expenditure for 2021 in accordance with Financial Reporting Standard (FRS) 102 – The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Emphasis of matter-deferred pension funding

Without qualifying my opinion I draw attention to note 12 (c) to the financial statements. The National Standards Authority of Ireland recognises an asset in respect of deferred retirement benefit funding – the current value of the funding it anticipates will be provided in the future by the State to meet retirement benefit liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the National Standards Authority of Ireland 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 retirement benefit liabilities.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the National Standards Authority of Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The National Standards Authority of Ireland has presented certain other information together with the financial statements. This comprises the annual report including the governance statement and Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.



Mark Brady

*For and on behalf of the
Comptroller and Auditor General*

29 September 2022

Appendix to the report

Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of annual financial statements in the form prescribed under paragraph 8 of the First Schedule of the National Standards Authority of Ireland Act 1996
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under paragraph 8 of the First Schedule of the National Standards Authority of Ireland Act 1996 to audit the financial statements of the National Standards Authority of Ireland and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Standards Authority of Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the National Standards Authority of Ireland to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

Board Members and General Information

Board of the NSAI

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

Board Members



Mr J Kennedy
Chairman



Ms G Larkin
Chief Executive Officer



Ms V Bowens



Mr D Casey
Appointed 15 December 2021



Mr P Devereux



Mr W Egerton



Ms E Felten



Ms A Gleeson



Ms A Goggin



Ms M McKeown
Reappointed 24 June 2021



Ms M O'Connell



Mr B Smith
Reappointed 24 June 2021



Mr C Verdon

Board Secretary

Mr P Bracken

General information

Head Office
1 Swift Square
Northwood
Santry
Dublin 9

Auditors

Comptroller and
Auditor General
3A Mayor Street Upper
Dublin 1

Bankers

Allied Irish Banks, plc.

Solicitors

Eversheds Sutherland

Consolidated Statement of Income and Expenditure and Retained Revenue Reserves

For the year ended 31 December 2021

	Notes	2021 €	2020 €
Income	2	24,895,375	21,965,271
Expenditure			
Administration and general expenses	3	26,863,961	24,952,009
Retirement benefit costs	12(a)	3,742,124	3,610,633
		30,606,085	28,562,642
Net operating costs before grant		(5,710,710)	(6,597,371)
Oireachtas grant	4	6,850,000	5,798,000
Net operating income/(costs) for the year		1,139,290	(799,371)
Transfer to capital account	5	(300,274)	(100,543)
Translation adjustment		180,422	(174,739)
Transfer to/(from) reserves for the year		1,019,438	(1,074,653)
Balance at 1 January		5,139,593	6,214,246
Balance at 31 December		6,159,031	5,139,593

The consolidated statement of cash flows and Notes 1 to 21 form part of the consolidated financial statements.

On behalf of the Board



James Kennedy
Chairperson

27 September 2022



Geraldine Larkin
Chief Executive Officer

27 September 2022

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	2021 €	2020 €
Reserves Surplus/(Deficit) for the year after appropriations		1,019,438	(1,074,653)
Experience gain/(loss) on retirement benefit obligations	12(d)	1,128,000	(1,056,000)
Changes in assumptions underlying the present value of retirement benefit obligations		(8,927,000)	(8,825,000)
Total actuarial loss in the year		(7,799,000)	(9,881,000)
Adjustment to deferred retirement benefits funding	12(b)	7,799,000	9,881,000
Total comprehensive income for the year		1,019,438	(1,074,653)

The consolidated statement of cash flows and Notes 1 to 21 form part of the consolidated financial statements.

On behalf of the Board



James Kennedy
Chairperson

27 September 2022



Geraldine Larkin
Chief Executive Officer

27 September 2022

Consolidated Statement of Financial Position

As at 31 December 2021

	Notes	2021 €	2020 €
Non-current assets			
Property, plant and equipment	6	4,041,737	3,739,219
Current assets			
Receivables	8	7,006,719	5,253,094
Cash & cash equivalents		2,686,332	2,241,848
		9,693,051	7,494,942
Current liabilities (falling due < 1 year)			
Payables	9	3,534,020	2,355,349
Net current assets		6,159,031	5,139,593
Total Assets less current liabilities before Pensions		10,200,768	8,878,812
Retirement benefits			
Deferred retirement benefit funding asset	12(c)	138,948,000	128,050,000
Retirement benefit obligations	12(b)	(138,948,000)	(128,050,000)
Net Assets		10,200,768	8,878,812
Representing			
Capital account	5	4,041,737	3,739,219
Retained revenue reserves		6,159,031	5,139,593
		10,200,768	8,878,812

The consolidated statement of cash flows and Notes 1 to 21 form part of the consolidated financial statements.

On behalf of the Board



James Kennedy
Chairperson

27 September 2022



Geraldine Larkin
Chief Executive Officer

27 September 2022

NSAI Statement of Financial Position

As at 31 December 2021

	Notes	2021 €	2020 €
Non-current assets			
Property, plant and equipment	6	4,005,134	3,701,779
Current assets			
Receivables	8	15,796,885	12,835,542
Cash & cash equivalents		1,371,109	893,753
		17,167,994	13,729,295
Current liabilities (falling due < 1 year)			
Payables	9	19,541,555	15,105,335
Net current assets		(2,373,561)	(1,376,040)
Total Assets less current liabilities before Pensions		1,631,573	2,325,739
Retirement benefits			
Deferred retirement benefit funding asset	12(c)	138,948,000	128,050,000
Retirement benefit obligations	12(b)	(138,948,000)	(128,050,000)
Net Assets		1,631,573	2,325,739
Representing			
Capital account	5	4,005,134	3,701,779
Retained revenue reserves		(2,373,561)	(1,376,040)
		1,631,573	2,325,739

The consolidated statement of cash flows and Notes 1 to 21 form part of the consolidated financial statements.

On behalf of the Board



James Kennedy
Chairperson

27 September 2022



Geraldine Larkin
Chief Executive Officer

27 September 2022

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Notes	2021 €	2020 €
Net cash flows from operating activities			
Net operating income/(costs) for the year		1,139,290	(799,371)
Bank interest		908	(1,028)
Depreciation charge	6	704,889	678,628
Profit on disposal of property, plant & equipment		(12,979)	(14,347)
(Increase)/decrease in receivables		(3,154,664)	1,067,074
Increase in payables		2,579,710	251,751
Currency translation adjustment		180,422	(174,739)
Net cash inflow from operating activities		1,437,576	1,007,968
Cash flows from investing activities			
Payments to acquire property, plant & equipment	6	(1,005,163)	(779,171)
Receipts from sale of property, plant & equipment		12,979	14,347
Net cash outflow from investing activities		(992,184)	(764,824)
Cash flows from financing activities			
Bank interest		(908)	1,028
Net cash (outflow)/inflow from financing activities		(908)	1,028
Net increase in cash and cash equivalents		444,484	244,172
Cash and cash equivalents at 1 January		2,241,848	1,997,676
Cash and cash equivalents at 31 December		2,686,332	2,241,848

The consolidated statement of cash flows and Notes 1 to 21 form part of the consolidated financial statements.

On behalf of the Board



James Kennedy

Chairperson

27 September 2022



Geraldine Larkin

Chief Executive Officer

27 September 2022

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

1. Accounting Policies

The basis of accounting and significant accounting policies adopted by the National Standards Authority of Ireland in the preparation of these consolidated financial statements are set out below. They have all been applied consistently throughout the year and for the preceding year.

General information

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.

NSAI's statutory functions are defined within the following Acts:

- National Standards Authority of Ireland Act 1996;
- Metrology Act 1996;
- Packaged Goods (Quantity Control) Act 1980.

NSAI delivers this infrastructure through the core programmes of metrology, standardisation, legal metrology for measurements and measuring instruments used in trade and conformity assessment.

The National Standards Authority of Ireland is a Public Benefit Entity (PBE).

The financial statements have been presented in Euro (€) which is also the functional currency of the Authority.

Statement of compliance

The financial statements have been prepared in compliance with the applicable legislation, and with FRS 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland issued by the Financial Reporting Council in the UK.

Basis of consolidation

The consolidated financial statements comprise the results of the Authority and its wholly-owned subsidiary NSAI Inc. NSAI Inc. was established in New Hampshire, USA on 1 July 1997 as a not for profit corporation, see Note 13 for further details. The accounting policies of the subsidiary do not differ to those of the Authority.

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Enterprise, Trade and Employment with the concurrence of the Minister for the Department of Public Expenditure and Reform under the National Standards Authority of Ireland Act, 1996.

The accounting policies have been consistently applied in dealing with items which are considered material in relation to NSAI's consolidated financial statements.

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 Statement of Income and Expenditure and Retained Revenue Reserves on delivery of the service.

1. Accounting Policies (continued)

Oireachtas grant

Oireachtas grants are recognised using the performance model. A grant that does not impose specified future performance-related conditions on the recipient is recognised as income when the grant proceeds are received. A grant that imposes specified future performance-related conditions on the recipient is recognised as income only when the performance-related conditions are met.

Translation of foreign currencies

(a) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Reporting date. Income and expenses 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 Statement of Income and Expenditure and Retained Revenue Reserves.

(b) 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 Reporting 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 Statement of Income and Expenditure and Retained Revenue Reserves 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 Statement of Financial Position rate is also recognised in the reserves of the operation.

Property, plant and equipment

Property, plant and equipment, which are owned by the NSAI, are stated at cost less accumulated depreciation and adjusted for any provision for impairment. Land and Buildings includes land held accommodating the buildings footprint. Depreciation is calculated in order to write off the cost less the estimated residual value of each asset on a straight line basis as follows:

i. Equipment, Fixtures & Fittings	5 years
ii. Computers	3 years
iii. Land and Buildings	50 years
iv. Motor Vehicles	5 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

Capital account

The capital account represents grant income utilised for the acquisition of property, plant and equipment and is written down in line with the depreciation and revaluation policies for the related assets.

Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is made against specific doubtful debtors with additional provision against other trade debts when there is objective evidence that NSAI or NSAI Inc. will not be able to collect all amounts owed. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

1. Accounting Policies (continued)

Operating leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

Employee benefits

(a) Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

(b) Retirement Benefits

The Statement of Income and Expenditure and Retained Revenue Reserves, Statement of Comprehensive Income and Statement of Financial Position recognise pension transactions, movements and balances in accordance with the requirements of Section 28 of FRS 102: Employee Benefits.

NSAI Superannuation 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 Enterprise, Trade and Employment and from contributions deducted from staff salaries.

Retirement benefit costs reflect pension benefits earned by employees, and are shown net of staff pension contributions which are retained by the NSAI. An amount corresponding to the retirement 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 Comprehensive Income for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Department of Enterprise, Trade and Employment.

Retirement benefit obligations represent the present value of future pension payments earned by staff to date. Deferred retirement benefit funding represents the corresponding asset to be recovered in future periods from the Department of Enterprise, Trade and Employment.

Single Public Service Pension Scheme

NSAI also operates the Single Public Service Pension Scheme ("Single Scheme"), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER). Employers contributions remittance to DPER commenced on 1 January 2019.

Additional Superannuation Contribution

From 1 January 2019 onwards, members of public service defined benefit pension schemes pay an additional superannuation contribution (ASC) arising from the Public Service Stability Agreement (2018-2020) and the Public Service Pay and Pensions Act 2017. ASC has replaced the pension-related deduction (PRD) which ceased at the end of 2018. While PRD was a temporary emergency measure, ASC is a permanent contribution in respect of pensionable remuneration. The deduction is collected and remitted to the Department of Enterprise, Trade and Employment (see Note 3).

1. Accounting Policies (continued)

Critical accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the year end and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

(a) Impairment of property, plant and equipment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(b) Retirement benefit obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- i. the discount rate, changes in the rate of return on high-quality corporate bonds
- ii. future compensation levels, future labour market conditions
- iii. health care cost trend rates, the rate of medical cost inflation in the relevant regions.

2. Income

	Note	2021 €	2020 €
Certification fees		21,447,358	18,475,941
Sale of standards		1,537,365	1,140,067
Other income		202,560	215,235
Bank interest		(908)	1,028
		23,186,375	19,832,271
Net deferred retirement benefit funding	12(c)	1,709,000	2,133,000
		24,895,375	21,965,271

With the ongoing covid 19 pandemic services continued to be performed through a mixture of remote and on-site operations. Virtual audits were conducted where possible and permissible under auditing regulations. Site audits were performed in accordance with COVID-19 guidelines during periods where restrictions were eased.

3. Administration and general expenses

	Note	2021 €	2020 €
Pay	3(a)	15,356,415	14,468,960
Board members remuneration and expenses	15	50,853	51,437
Travelling expenses	3(b)	476,026	422,795
Subcontractors	3(c)	5,068,219	4,426,847
External Service Delivery		196,964	302,971
Consultancy	3(d)	250,234	119,094
Rents, rates, repairs and maintenance		1,607,808	1,567,975
Other operating expenses	3(e)	2,275,043	2,147,247
Profit on disposal of property, plant and equipment		(12,979)	(14,347)
Subscriptions to organisations		890,489	780,402
Depreciation	6	704,889	678,628
		26,863,961	24,952,009

(a) Pay

	2021 €	2020 €
Wages and salaries	14,006,385	13,249,600
Overtime	64,777	51,690
Allowances	106,153	96,926
Social welfare costs	1,196,444	1,082,546
Superannuation costs	(17,344)	(11,802)
	15,356,415	14,468,960

Additional superannuation contributions of €441,124 (2020: €428,059) have been deducted from salaries and paid to the Department of Enterprise, Trade and Employment.

Single Public Service Pension Scheme deductions of €187,994 (2020: €149,907) have been deducted from employees' salaries and paid to the Department of Public Expenditure and Reform.

There were no termination payments issued in 2021.

The number of persons employed (whole time equivalent) at 31 December 2021 was 195 (2020: 180).

3. Administration and general expenses (continued)

(b) Travelling Expenses

NSAI's head office is located at Swift Square, Santry and has regional offices and centres throughout Ireland. It also has a subsidiary office in Nashua, New Hampshire, USA. Travel outside of Ireland for all staff based in Ireland is considered International travel. For Staff based in the USA, travel within the USA is regarded as Domestic travel, travel outside the USA is regarded as International travel. The total costs incurred re Domestic travel and subsistence in 2021 was €469,912 (2020: €343,525). The total costs incurred re International travel and subsistence in 2021 was €6,114 (2020: €79,270).

(c) Subcontractors

Subcontractors costs relate to the use of specialist experts engaged in the delivery of NSAI income generating activities.

(d) Consultancy

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2021 €	2020 €
Human Resources & Pensions	34,380	18,430
Legal advice	81,284	74,318
Finance/Actuarial	28,950	3,950
Other	105,620	22,396
	250,234	119,094

(e) Other Operating Expenses

	2021 €	2020 €
Advertising, Marketing and PR	99,482	209,233
ICT Costs	765,758	561,816
Communication, Printing & Publications	379,416	404,634
Finance Costs	120,034	278,656
Insurance	508,340	337,433
Staff Development	185,362	158,486
Recruitment costs	13,024	10,275
Audit Fee – C&AG	29,600	26,950
Audit Fee – Internal Audit fees	31,298	17,875
Other Operating Expenses	143,313	141,889
	2,275,627	2,147,247

3. Administration and general expenses (continued)

(f) Hospitality expenditure

Hospitality expenditure in 2021 was €22,995 (2020: €6,484) consisting of client hospitality €1,350 (2020: €2,055) and employee engagement/staff welfare €21,645 (2020: €4,429). Employee engagement/staff welfare includes a contribution to staff social club events and staff team building exercises.

(g) Employee benefits breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range of total employee benefits	No. employees 2021	No. employees 2020
€60,000-€69,999	26	32
€70,000-€79,999	9	12
€80,000-€89,999	20	22
€90,000-€99,999	23	14
€100,000-€109,999	5	6
€110,000-€119,999	4	5
€120,000-€129,999	2	–
€130,000-€139,999	–	–
€140,000-€149,999	–	–
€150,000-€159,999	–	1
€160,000-€169,999	1	–

Figures do not include NSAI Inc. details as they are employed by NSAI Inc and not NSAI.

4. Oireachtas grant

	2021 €	2020 €
Grant for administration and general expenses	6,850,000	5,798,000

The Oireachtas Grant is issued by The Department of Enterprise, Trade and Employment and includes an amount of €500,000 (2020: €500,000) in relation to capital purchases in the year. Funding is from Vote 32, Subhead A.6.

5. Capital account

	2021 Group €	2021 NSAI €	2020 Group €	2020 NSAI €
At 1 January	3,739,219	3,701,779	3,639,432	3,602,534
Movements on property, plant & equipment	300,274	303,355	100,543	99,245
Transfer to Income and Expenditure and Retained Revenue Reserves	300,274	303,355	100,543	99,245
Currency translation adjustment	2,244	–	(756)	–
At 31 December	4,041,737	4,005,134	3,739,219	3,701,779

6. Property, plant & equipment

Group

	Equipment, fixtures & fittings €	Computer equipment €	Land & buildings €	Motor vehicles €	Total €
Cost					
At 1 January 2021	5,799,499	5,428,902	4,382,223	361,991	15,972,615
Additions	286,661	669,429	20,577	28,496	1,005,163
Disposals	(7,680)	(50,163)	–	(22,159)	(80,002)
Translation adjustment	1,842	20,380	5,253	–	27,475
At 31 December 2021	6,080,322	6,068,548	4,408,053	368,328	16,925,251
Depreciation					
At 1 January 2021	4,976,528	4,729,170	2,208,413	319,285	12,233,396
Charge for the year	279,094	343,106	67,778	14,911	704,889
Disposals	(7,680)	(50,163)	–	(22,159)	(80,002)
Translation adjustment	1,606	17,814	5,811	–	25,231
At 31 December 2021	5,249,548	5,039,927	2,282,002	312,037	12,883,514
Net book value					
At 1 January 2021	822,971	699,732	2,173,810	42,706	3,739,219
Net movement for year	7,567	326,323	(47,201)	13,585	300,274
Translation adjustment	236	2,566	(558)	–	2,244
At 31 December 2021	830,774	1,028,621	2,126,051	56,291	4,041,737

6. Property, plant & equipment (continued)

NSAI

	Equipment, fixtures & fittings €	Computer equipment €	Land & buildings €	Motor vehicles €	Total €
Cost					
At 1 January 2021	5,774,842	5,156,227	4,311,989	361,991	15,605,049
Additions	286,661	652,121	20,577	28,496	987,855
Disposals	(7,680)	(50,163)	–	(22,159)	(80,002)
At 31 December 2021	6,053,823	5,758,185	4,332,566	368,328	16,512,902
Depreciation					
At 1 January 2021	4,955,035	4,490,771	2,138,179	319,285	11,903,270
Charge for the year	278,342	323,469	67,778	14,911	684,500
Disposals	(7,680)	(50,163)	–	(22,159)	(80,002)
At 31 December 2021	5,225,697	4,764,077	2,205,957	312,037	12,507,768
Net book value					
At 1 January 2021	819,807	665,456	2,173,810	42,706	3,701,779
Net movement for year	8,319	328,652	(47,201)	13,585	303,355
At 31 December 2021	828,126	994,108	2,126,609	56,291	4,005,134

7. Property

NSAI occupies premises at a number of locations. The 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. There was a rent review completed in 2018. The next 5 year rent review is due to be undertaken in January 2023 covering the period 1 January 2023 to December 2027.

The NSAI has a number of Regional Centres located at Cork, Dublin, Dundalk, Galway, Limerick, Sligo and Waterford. The NSAI National Metrology Laboratory is located at Glasnevin, Dublin 9. All of these premises are owned by NSAI.

The US subsidiary office is located at 20 Trafalgar Square, Nashua, NH 03063, USA, these premises are leased, the lease was entered into in September 2015 for a period of 5 years and was extended for a further 5 years in 2020. The UK subsidiary office is located at 6-9 The Square, Stockley Park, Heathrow, UB11 1FW, UK. These premises are on short-term rental agreement entered into in September 2021.

8. Receivables

	2021 Group €	2021 NSAI €	2020 Group €	2020 NSAI €
Trade receivables	4,946,234	2,802,560	3,316,721	2,353,475
Accrued income	936,590	902,046	920,429	834,592
Prepayments	1,123,895	1,038,648	1,015,944	933,171
Intercompany	–	11,053,631	–	8,714,304
	7,006,719	15,796,885	5,253,094	12,835,542

All receivables are due within one year. All trade receivables are due within the Authority's normal terms. Trade receivables are shown net of impairment in respect of doubtful debts. The movement in impairment in respect of doubtful debts is as follows:

	2021 Group €	2021 NSAI €	2020 Group €	2020 NSAI €
Balance at 1 January	681,430	493,123	536,389	374,616
Utilised in the year	–	–	–	–
Provision adjustment	(2,708)	(30,732)	145,041	118,507
Balance at 31 December	678,722	462,391	681,430	493,123

The intercompany account has been reclassified into intercompany receivables and intercompany payables.

9. Payables (falling due < 1 year)

	2021 Group €	2021 NSAI €	2020 Group €	2020 NSAI €
Trade payables	51,942	22,122	178,130	156,564
Other payables and accruals	1,610,621	1,404,094	1,185,819	1,058,453
Deferred income	1,402,076	1,006,674	672,517	672,517
Taxation, social insurance and VAT	469,381	469,381	318,883	318,883
Intercompany	–	16,639,284	–	12,898,918
	3,534,020	19,541,555	2,355,349	15,105,335

The intercompany account has been reclassified into intercompany receivables and intercompany payables.

10. Operating lease commitments

Payments made under Operating Leases on Buildings charged in the financial statements amounted to €869,642 (2020: €871,879). Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 Group €	2021 NSAI €	2020 Group €	2020 NSAI €
Within one year	878,831	811,315	891,370	811,315
Between two to five years	3,431,808	3,245,260	3,499,324	3,245,260
After five years	811,315	811,315	1,622,630	1,622,630
	5,121,954	4,867,890	6,013,324	5,679,205

11. Taxation

The Authority is exempt from taxation on its income.

12. Retirement benefit costs

(a) Analysis of total retirement benefit costs charged to the Consolidated Statement of Income and Expenditure and Retained Revenue Reserves

	2021 €	2020 €
Current service costs – NSAI Scheme	2,628,000	2,304,000
Interest on retirement benefit scheme liabilities – NSAI Scheme	933,000	1,241,000
NSAI Scheme – Employee contributions	(382,858)	(386,071)
Current service costs – Single Public Service Pension Scheme	746,000	564,000
Interest on retirement benefit scheme liabilities – Single Public Service Pension Scheme	19,000	14,000
Adjustment for Current Service Cost and Interest on the SPSPS	(765,000)	(578,000)
Single Public Service Pension Scheme – Employer Contribution	563,982	451,704
	3,742,124	3,610,633

12. Retirement benefit costs (continued)

(b) Movement in net retirement benefit obligations during the financial year

	2021 €	2020 €
Net retirement benefit obligation at 1 January	128,050,000	114,881,000
Current service costs – NSAI Scheme	2,628,000	2,304,000
Interest costs – NSAI Scheme	933,000	1,241,000
Current service costs – SPSPS Scheme	746,000	564,000
Interest costs – SPSPS Scheme	19,000	14,000
Actuarial loss	7,799,000	9,881,000
Plans participants contributions	625,000	577,000
Pensions paid in the year	(1,852,000)	(1,412,000)
Net retirement benefit obligation at 31 December	138,948,000	128,050,000

(c) Deferred funding for retirement benefits

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 schemes, 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 retirement benefits recognised in the Consolidated Statement of Income and Expenditure and Retained Revenue Reserves was as follows:

	2021 €	2020 €
Funding recoverable in respect of current year retirement benefit costs	4,326,000	4,123,000
Adjustment in respect of the Single Public Service Pension Scheme	(765,000)	(578,000)
State grant applied to pay retirement benefits	(1,852,000)	(1,412,000)
	1,709,000	2,133,000

The deferred funding asset for retirement benefits at 31 December 2021 amounts to €138.948m (2020: €128.05m).

12. Retirement benefit costs (continued)

(d) History of defined benefit obligation

	2021 €	2020 €
Defined benefit obligations	138,948,000	128,050,000
Experience gain/(loss) on defined benefit scheme liabilities	1,128,000	(1,056,000)
Percentage of scheme liabilities	0.8%	(0.8%)

(e) General description of the schemes

NSAI Superannuation Scheme

The retirement benefit 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 (eightieths 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 under this scheme 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.

Single Public Service Pension Scheme

The Single Public Service Pension Scheme ("Single Scheme") commenced with effect from 1 January 2013. All new entrants to pensionable public service employment on or after 1 January 2013 are members of the Single Pension Scheme. The Single Pension Scheme is based on a career averaging model. This means that retirement benefits are based on a % of pensionable earnings throughout the member's public service career as a member of the Scheme.

(f) Schemes valuation

The valuation used for FRS 102 disclosures has been based on a full actuarial valuation performed in February 2020 by a qualified independent actuary, taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2021.

The principal actuarial assumptions were as follows:

	2021	2020
Rate of increase in salaries	3.20%	2.40%
Rate of increase in retirement benefits in payment	2.70%	1.90%
Discount rate	1.20%	0.75%
Inflation rate	2.20%	1.40%

(g) Mortality

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

	2021	2020
Male aged 65	21.8	21.7
Female aged 65	24.2	24.1

13. NSAI Inc

NSAI Inc. was established in New Hampshire, USA on 1 July 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 surplus for the year includes a surplus from the operations of NSAI Inc. of €1,479,339 (2020: €670,674). See Note 13(a) for an outline of financial details.

(a) Outline of the NSAI Inc financial details are as follows:

Statement of Income and Expenditure

	2021 €	2020 €
Income		
Certification fees	6,771,433	5,889,710
Expenditure		
Pay and superannuation costs	2,449,166	2,318,193
Travelling expenses	81,227	75,389
Subcontractors	2,384,882	2,284,462
Consultancy	12,750	19,528
Rents, rates, repairs and maintenance	77,537	74,234
Other operating expenses	323,664	316,669
Subscriptions to organisations	164,136	185,558
Depreciation	20,391	34,763
Net intercompany (re-charge)/charge	(221,659)	(89,760)
	5,292,094	5,219,036
Operating surplus for the year	1,479,339	670,674

With the ongoing covid 19 pandemic services continued to be performed through a mixture of remote and on-site operations. Virtual audits were conducted where possible and permissible under auditing regulations. Site audits were performed in accordance with COVID-19 guidelines during periods where restrictions were eased.

13. NSAI Inc (continued)

(a) Outline of the NSAI Inc financial details (continued)

Statement of Financial Position

	2021 €	2020 €
Non-current assets		
Property, plant and equipment	36,604	37,441
Current assets		
Receivables	2,263,466	1,131,856
Cash & cash equivalents	1,315,223	1,348,094
Intercompany	16,639,284	12,898,918
	20,217,973	15,378,868
Current liabilities (falling due < 1 year)		
Payables	631,753	148,934
Intercompany	11,053,631	8,714,304
	11,685,384	8,863,238
Net current assets	8,532,589	6,515,630
Net Assets	8,569,193	6,553,071
Represented by:		
Capital account	36,604	37,441
Retained revenue reserves	8,532,589	6,515,630
	8,569,193	6,553,071

The intercompany account has been reclassified into intercompany receivables and intercompany payables.

14. NSAI Certification UK Limited

NSAI Certification UK Limited was incorporated in the UK, on 15 July 2021 as a private company wholly-owned by the NSAI, establishing a presence in the UK which is a prerequisite to securing the UKAS (United Kingdom Accreditation Service) and MHRA (the Medicines and Healthcare products Regulatory Agency) accreditations required to provide UKCA certification for Irish Medical Devices and Construction products to be placed on the UK market. UKAS and MHRA Accreditation is likely to be completed in 2022. The UK entity is progressing UKAS and MHRA accreditation in advance of commencing trading and the provision of certification services, which is projected to commence in 2022.

15. 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 Public Expenditure and Reform in relation to the disclosure of interests by Board Members and these procedures have been adhered to by the NSAI during the year.

(a) Directors remuneration – paid in 2021

		Note	2021 €
Mr J Kennedy			11,929
Ms V Bowens			7,668
Mr D Casey	Appointed 15 December 2021		–
Mr P Devereux			7,668
Mr W Egerton			7,668
Ms E Felten		(i)	–
Ms A Gleeson			7,668
Ms A Goggin		(i)	–
Ms M McKeown	Reappointed 24 June 2021	(i)	–
Ms M O'Connell			7,668
Mr B Smith	Reappointed 24 June 2021	(i)	–
Mr C Verdon	DETE Representative		–
Ms G Larkin	Chief Executive Officer	(i)	–

The total Directors remuneration for 2021 was €50,269 (2020: €45,994).

i) Remuneration not payable in accordance with OPOS principle.

(b) Directors expenses

The total Directors expenses paid directly to members in 2021 was €821 (2020: €3,305)

(c) CEO salary

The total remuneration paid to Ms G Larkin in 2021 was €162,739 (2020: €158,932). The CEO is a member of the single public service pension scheme. Ms G Larkin did not receive any performance related payments in 2021.

(d) Key management remuneration

All directors, board members, CEO and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Authority are considered to be key management personnel. Total remuneration in respect of these individuals is €567,639 (2020: €547,335).

16. Related Party Disclosure

There are no related party transactions.

17. Financial Instruments

The analysis of the carrying amounts of the financial instruments of the Group and NSAI required under section 11 of FRS 102 is as follows:

	2021 Group €	2021 NSAI €	2020 Group €	2020 NSAI €
Financial assets that are debt instruments measured at amortised cost				
Trade receivables	4,946,234	2,802,560	3,316,721	2,353,475
Prepayments	1,123,895	1,038,648	1,015,944	933,171
Intercompany	–	11,053,631	–	8,714,304
Cash and cash equivalents	2,686,332	1,371,109	2,241,848	893,753
Financial liabilities measured at amortised cost				
Trade payables	51,942	22,122	178,130	156,564
Intercompany	–	16,639,284	–	12,898,918
Accruals and other payables	1,610,621	1,404,094	1,185,819	1,058,453

18. Subsequent events

NSAI is continuing to monitor the impact of the ongoing COVID19 crisis and its impact on the Authorities operations and financial performance. Financial forecasts are prepared regularly, with monitoring of income, costs, and cashflows undertaken on a monthly basis. Measures have been taken to minimise the impact on income and control expenditure. Financial forecasts and cashflow projections are provided to the Audit and Risk Committee and the Board. Cashflow is reported to our parent Department monthly. It is expected that the Authority will be able to adapt and further develop responses to minimise the impact of COVID19 and ensure financial stability.

Legal proceedings have been served on NSAI and these are being addressed by the Authority.

19. Capital commitments

There were capital commitments of €67,704 at the year-end (2020: €288,098).

20. Comparatives

Comparative figures have been reclassified where necessary on a basis consistent with the current year.

21. Approval of financial statements

The financial statements were approved by the Board on 22 April 2022.



NSAI

HEAD OFFICE

1 Swift Square, Northwood, Santry, Dublin 9, Ireland

T +353 1 807 3800

F +353 1 807 3838

E info@nsai.ie

NSAI.ie