

# Building Science Institute, Ltd. Co. Policy 09-2022 General Requirements for Verification Organizations

This policy applies to Verification Organizations.

## Referenced Documents

Building Science Institute, Ltd. Co. Policy 05 Secondary Interests

Building Science Institute, Ltd. Co. Policy 06 Impartiality & Objectivity

## Conflicts of Interest

The verification organization must conform with Building Science Institute, Ltd. Co. Policy 05 Secondary Interests.

The verification organization must identify risks to its impartiality on an on-going basis. It must include those risks that arise from its activities, relationships, and relationships of its personnel. Such relationships do not necessarily present a verification organization with a risk to impartiality, but must be considered and identified.

Risks to the impartiality of the verification organization must be considered whenever events occur which might have a bearing on the impartiality of the verification organization or its personnel.

The verification organization must describe any relationships that could affect its impartiality to the extent relevant, using organizational diagrams or other means.

If a risk to impartiality is identified, the verification organization must demonstrate how it eliminates or minimizes such risk.

## Impartiality and Independence

The verification organization must undertake verification activities impartially in conformance with Building Science Institute, Ltd. Co. Policy 06 Impartiality & Objectivity.

The verification organization must be responsible for the impartiality of its verification activities (including on-site observations, diagnostic testing, and software analysis for energy performance) and must not allow commercial, financial, or other pressures to compromise impartiality.

The top management of the verification organization must be committed to impartiality. This can be documented by a statement emphasizing its commitment to impartiality in carrying out verification activities, managing conflicts of interest, and ensuring the objectivity of its verification activities. These statements and policies should be made publicly available.

The verification organization must be independent to the extent that is required with regard to the conditions under which it performs its services.

- Type A: A verification organization that provides third party verifications must meet the following requirements:
  - The verification organization must be independent of the parties involved in the construction of the home.
  - The verification organization and its personnel must not engage in any activities that may conflict with their independence of judgment and integrity in relation to their verification activities. They must not be engaged in the design, manufacture, supply, installation, purchase, ownership, use or maintenance of the items verified.
  - The verification organization must not be part of a legal entity that is engaged in design, manufacture, supply, installation, purchase, ownership, use or maintenance of the items verified.
  - The verification organization must not be linked to a separate legal entity engaged in the design, manufacture, supply, installation, purchase, ownership, use or maintenance of the items verified, by the following:
    - Common ownership except where the owners have no ability to influence the outcome of a verification

- Common ownership appointees on the boards or equivalent of the organizations, except where these functions have no influence on the verification outcomes
  - Direct reporting to the same higher level of management except where this cannot influence the verification outcomes
  - Contractual commitments (or other means) that may have an ability to influence verification outcomes
    - Example: An inspection company that only performs inspections on dwelling units and has independent ownership is a Type A verification organization.
- Type B: A verification organization that provides first party verifications, second party verifications, or both, which forms a separate and identifiable part of an organization involved in the design, manufacture, supply, installation, use or maintenance of the items it inspects and which supplies verification services only to its parent organization (in-house verification body) must meet the following requirements:
  - The verification organization must only supply verification services to the organization of which the verification organization forms a part.
  - A clear separation of the responsibilities of the verification personnel from those of the personnel employed in the other functions must be established by organizational identification and the reporting methods of the verification organization within the parent organization.
  - The verification organization and its personnel must not engage in any activities that may conflict with their independence of judgment and integrity in relation to their verification activities. They must not engage in the design, manufacture, supply, installation, use or maintenance of the items verified.
    - Verifications performed by Type B verification organizations are NOT considered third party verifications, but are first party verifications.
  - Example: An inspection division of an HVAC contractor that only verifies the projects where the HVAC contractor performed the installation is a Type B verification organization.
- Type C: A verification organization that provides first party verifications, second party verifications, or both, which forms an identifiable but not necessarily a separate part of an organization involved in the design, manufacture, supply, installation, use or maintenance of the items it inspects and which supplies verification services to the parent organization, other parties, or both, must meet the following requirements:
  - The verification organization must provide safeguards within the organization to ensure adequate segregation of responsibilities and accountabilities between verifications and other activities.
  - The design, manufacture, supply, installation, servicing, or maintenance and the verification of the same item carried out by a Type C organization must not be performed by the same person.
    - Verifications performed by Type C verification organizations are not considered third party verifications.
  - Example: An inspection division or company owned by a homebuilder that performs verifications on the homes built by the homebuilder and other homebuilders is a Type C verification organization.

## Confidentiality

The verification organization must be responsible, through legally enforceable contracts, for the management of all information obtained or created during the performance of its verification activities.

The verification organization must inform its customer, in advance, of the information it intends to place in the public domain.

All information must be considered proprietary information and regarded as confidential, except for information the customer makes publicly available OR when mutually agreed between the verification organization and its customer.

The customer must be notified when the verification organization is required by law or authorized by contract to release confidential information, unless such notification is prohibited by law.

The verification organization must treat information about the customer, obtained from sources other than the customer, as confidential.

Approved by the Building Science Institute, Ltd. Co., Quality Council on December 13, 2022.

Approve: Amber Wood, Brian Christensen, Erik Straite, Kevin Burk, Wes Davis

Reject: None

Not Voting: Brett Dillon, Chair

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