

# OECD Enforcement and Inspections Toolkit: towards a Regulatory Dialogue

*Comments on OECD Enforcement and Inspections Toolkit  
Paul van Dijk, Mindert Mulder, Rob Velders  
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## Introduction

We would like to congratulate the OECD with the draft Enforcement and Inspections Toolkit. We appreciate the invitation to comment on the scope of the document, criteria and explanatory text. In our comments we would like to focus on question how the Toolkit can be used to further develop assessments of inspections and enforcement institutions and systems.

- I. The Toolkit as a starting point to assess regulatory regimes and institutions
- II. Improving the Toolkit step by step
- III. Focusing on Toolkit implementation
- IV. Continuing the search for evidence and data
- V. Refining the stakeholder approach
- VI. Improving the usability of the Toolkit
- VII. The way forward: Regulatory Dialogue

## I. The Toolkit as a starting point to assess regulatory regimes and institutions

1. The international regulatory community has developed various lists of criteria to assess regulatory regimes and organizations. In the Netherlands, for instance, a list of six principles has been used since 2005 to define "good supervision"<sup>1</sup>:

- *Selective*
- *Resolute*
- *Cooperative*
- *Independent*
- *Professional*
- *Transparent*

2. More recently, Cary Coglianese has determined the following principles of *excellence*<sup>2</sup>:

- *Utmost Integrity:*
  - *Fidelity to law*
  - *Respect for democracy*
  - *Commitment to public interest*
- *Empathic Engagement*
  - *Even-handedness*
  - *Listening*
  - *Responsiveness*
- *Stellar Competence*
  - *Analytical capability*
  - *Instrumental capacity*
  - *High performance*

3. We welcome discussions on the content and wording of principles, but we also think it is practical to use the OECD principles as a starting point. Although there remains room for debate, the list of (now) 12 principles creates a common ground.

4. The Toolkit takes the principles a few steps further. The translation of 12 criteria into 48 sub-criteria and moreover into indicators of evidence will help assessing regulatory systems and organizations.

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<sup>1</sup> Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, *Minder last, meer effect, Zes principes van goed toezicht*, 2005.

<sup>2</sup> Cary Coglianese, *Listening • Learning • Leading, A Framework for Regulatory Excellence*, 2015.

5. We find it particularly interesting that these principles enable to compare, with due respect for differences, systems and organizations of various kinds. The Toolkit can help to make international comparisons, crossing borders between countries. Within countries, various institutions can be compared, crossing borders between for instance financial supervision and food safety.

## II. Improving the Toolkit step by step

6. On the one hand, we can use the Toolkit as it is. On the other hand, we acknowledge that there may be reasons for future adjustments. This requires a step by step approach that is both consistent and dynamic. We need to use the current Toolkit as a starting point, knowing that it may be improved later.
7. The OECD has not only developed principles on Regulatory Enforcement and Inspections, but also on the Governance of Regulators. Although these principles are different, the underlying notions seem to overlap. Given the ambition to use the Toolkit in practice, we suggest to consider combining the two.
8. We appreciate the addition of the 12<sup>th</sup> criterion of the toolkit: Reality Check. In our view and based on experience in several countries, this criterion needs to be even more focussed on "reality". We have experienced that an inspectorate of regulator may have all its paperwork and processes in place. But still then it may not function as it should. We suggest therefore to add the next element to the reality check:

### **Sub-criterion 12.5: Personnel and equipment**

*The inspectorates have enough inspectors and facilitate them adequately to be able to carry out their work.*

*Evidence:*

- *For all tasks the amount of work that needs to be done is known and the personnel is (in general) fully hired.*
- *Payment for all personnel must be enough to fund basic needs and not to be corrupt.*
- *A program to prevent corruption is active.*
- *There is a training program with regular trainings provided to all inspectors, and funding for training is available.*
- *All necessary equipment (protective clothing, transportation, instruments for measuring and samples, IT) is available, in sufficient amounts and maintained well.*
- *An IT system is operational and used actively by the inspectors (and preferably also online available when inspecting).*
- *There are official regulations that grants inspectors clear rights and obligations while performing inspections.*
- *There is official identification for inspectors.*
- *Practical checklists are (preferably electronical) available and used by inspectors. They are also available to the inspectees and the public.*
- *There is a clear career planning for inspectors.*

## III. Focusing on Toolkit implementation

9. As the draft states:

*"The Purpose of the Toolkit is to (..) offer government officials, regulators, stakeholders and experts as well as the OECD secretariat itself a simple tool that allows assessing the level of development of the inspection and enforcement system in a given jurisdiction, or of a particular institution or structure, to identify strengths and weaknesses, and potential areas for improvement."*

10. Rather than discussing the precise content and wording of the criteria and sub-criteria, we suggest that above all the Toolkit be tested. In practice, we will not only learn how to further improve the criteria, sub-criteria and indicators, but, on top of that, to discover the best ways to deliver the Toolkit. Our suggestions will therefore focus on the implementation and application of the Toolkit.

#### **IV. Continuing the search for evidence and data**

11. One of the important achievements of the Toolkit is that it determines the evidence to assess whether criteria are met. This "search" for evidence could lead to regular updates.
12. We need to determine the data to assess whether criteria are met. These data should be available to the public. At the same time, a practice of merely "ticking the box" should be avoided.
13. As the Draft states:

*"The use of such a "check-list" and of its different indicators () involves a significant degree of expert judgment, and is more "qualitative" than "quantitative"."*

14. This should in our view not lead to the conclusion that we do not need (quantitative) data. Quite the contrary. It does mean that the way of applying should be about more than just grading.

#### **V. Refining the stakeholder approach**

15. The Toolkit may address various stakeholders. The next stage of development seems to require a more specified stakeholder approach. Given the various ways the Toolkit can be applied, the method of application could be adjusted, depending on stakeholders addressed.
16. We would like to highlight two issues in this respect. First, the use of the Toolkit would benefit if it can be determined who is to act. In other words, who are addressed by the criteria? The second issue is the applicability of the Toolkit when it comes to so-called multi regulators.

##### **Addressees**

17. The toolkit is in effect an evaluative instrument for a specific regulatory system, such as the food and safety regulatory system in country X. Indeed, it seems a logical approach to also look at a regulatory system as a whole, because the combined actions of legislators/policy makers and regulators/enforcement agencies, all active in such a regulatory system, determine the effectiveness of policy measures and its supervision. The public, society will expect to be informed on the workings of government: do the combined efforts of the involved government bodies deliver public safety, and how?
18. However, this approach has a drawback, as it does not make instantly clear which party is addressed to act on the outcome of scores. To us, there seem to be three different addressees on the toolkit's 48 sub-criteria:
  - a. Policy body (ministry) on 1.1., 1.2, 1.3, 2.1, 2.2, 3.1, 6.1, 6.2, 10.4,
  - b. Regulator on 1.4, 3.3, 3.4, 3.6, 4.4, 5.3, 6.5, 7.2, 7.3, 7.5, 8.1-8.3, 10.1-10.3, 11
  - c. Both policy body and regulator on 3.2, 4.2, 4.3, 6.3, 6.4, 7.1, 7.4, 8.4, 9, 12.
19. In our experience, ministry and regulator often find themselves debating who is to act when things do not work out as expected. Apart from that it is useful to make transparent which party is best suited to act. And even then, we can imagine that if the logical party cannot act quickly, the other party takes a proactive stand and "does what it can do". This goes for the c. category, but may be also for a/b. For example, if the law does not explicitly allow for a differentiated approach, the regulator could apply that principle by way of experiment and testing legal borders.
20. We suggest that you consider whether specific recommendations are useful on the topic of addressees, and maybe to make suggestions on who is to act upon the scoring.

##### **Multi regulators**

21. Many regulators are working with multiple complexes of laws and regulations. And also with more than one policy body/ministry. For example, the Dutch ACM enforces the Competition Act, but also sector specific legislation on telecom, energy, transport and general consumer protection laws. A specific expectation for multi regulators could be that they continuously work on identifying best practices in the laws that they enforce (advocacy role).

22. It may be that this is a result of earlier mergers, where “habits” from the predecessors are adopted and carried out (more or less) like before. This means that one regulator may score “poor” and “good” on the same topic (e.g. on transparency).
23. Whenever possible, multi regulators that enforce overlapping legal systems, should be expected to apply the least burdensome and most effective tools available.
24. We would suggest to consider the comprehensiveness of the toolkit from the perspective that it also includes multi-regulators.

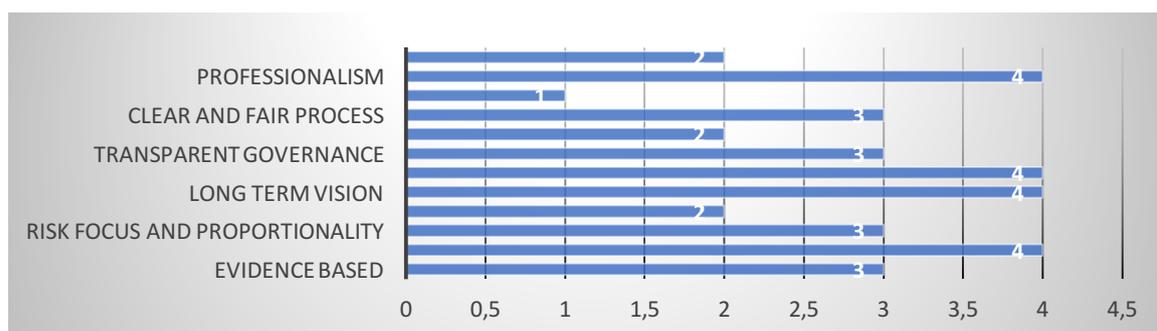
## VI. Improving the usability of the Toolkit

25. As the draft states:

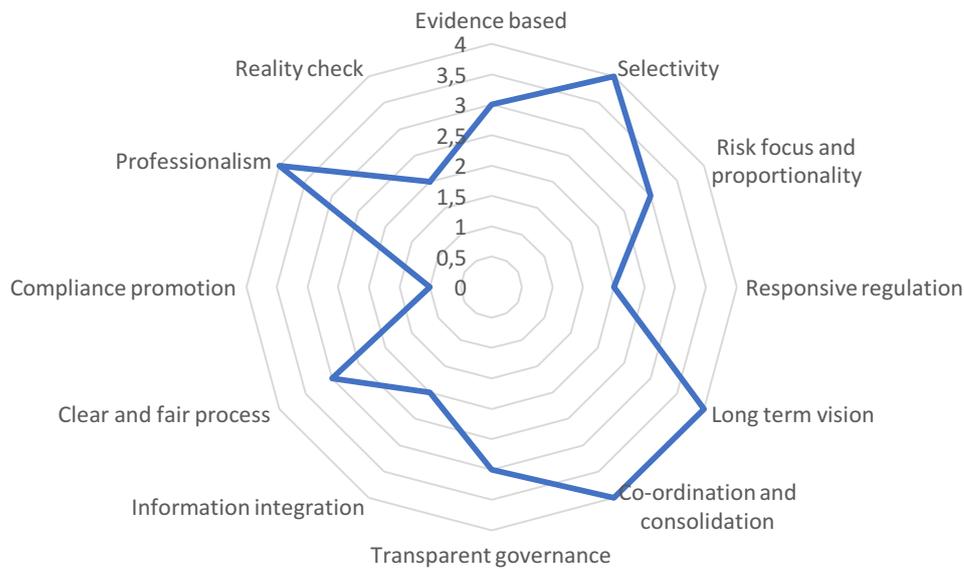
*"The Toolkit should () form a universal and sufficiently flexible basis for evaluation and self-assessment."*

26. The Toolkit helps traditional methods of assessment. It can be used for rating (aimed at learning and improving), possibly combined with ranking (comparing). The Toolkit may not only be used to assess systems and organizations but also countries. And rating and raking can be based on all principles, but also on one.
27. In order to make scores comparable the Toolkit could include a rating system, preferably based on 5 ratings, from very poor to very good, as is suggested in the draft. In the draft Scorecard (Annex I) a column has been added to enable rating each sub-criterion.
28. In order to help the use and and follow-up it may be advisable to also incorporate the possibility to rate the importance of each score and the urgency to act upon it. Depending on specific circumstances of a country or institution, not every criterion may be equally important to address at the same time.
29. To facilitate such a rating, we have added a column in the draft Scorecard (Annex I). The rating of importance and urgency could be as follows:
  - A. Essential
  - B. High
  - C. Normal
  - D. Low
  - E. Not important/urgent

25. The current Toolkit consists of 12 criteria and 48 sub-criteria. Although it can be expected to lead to quite complete assessments, as Annex I shows, the number of (sub)criteria does have some restrictions. The purpose of the Toolkit is to offer a “simple tool”. To meet this purpose, some innovations should be considered.
26. In order to be able to develop a quick-scan, the list should be simplified, for instance, by prioritizing or clustering criteria. This would also help to have a clearer presentation of results.
27. Another way of enhancing the usability would be to present the scores like this:



28. A “regulatory dashboard” could also look like this”



## VII. The way forward: Regulatory Dialogue

29. It is clear that “ticking the box” would not be a satisfactory way of applying the Toolkit. We should therefore try to develop other and new methods.

30. One of the lessons learned in the OECD Regulatory Policy Outlook 2015 was:

*“Stakeholders are still rarely engaged in the final delivery stage of the regulatory policy cycle – implementation and enforcement (or, in other words, delivery of regulations). This is a new frontier, where countries could more actively engage with stakeholders with a view to improve the ways regulations are implemented, to limit unnecessary burdens and to better target the enforcement methods. In addition, better contact with regulated entities could result in improved measurement of compliance and a better understanding of the reasons for non-compliance.”*

31. We suggest to benefit from these insights while implementing the Toolkit. Therefore, our suggestion is to develop a “Regulatory Dialogue”, based on the current Toolkit. The Toolkit should not only be used by regulatory experts, but by all stakeholders. They all can have a say to further improve both the Toolkit and assessments.

### Concluding remarks

We hope our suggestions will prove to be useful in further developing the Toolkit, particularly the implementation of the Toolkit. We as consultants would be highly motivated to contribute to the implementation and development of the Toolkit.

## Annex I - Draft Scorecard

<b>Enforcement and Inspections Scorecard</b> (Based on draft OECD Enforcement and Inspections Toolkit)			
<b>Criterion</b>	<b>Evidence</b>	<b>Score</b>	<b>Importance/ Urgency</b>
<b>Criterion 1: Evidence based enforcement</b>	<b>Regulatory enforcement and inspections should be evidence-based and measurement-based: deciding what to inspect and how should be grounded on data and evidence, and results should be evaluated regularly</b>		
<b>Sub-criterion 1.1:</b> Enforcement and inspection aspects are reviewed during the impact assessment process for new regulations – and evidence-based enforcement is “anchored” as a key aspect to be checked during both design and ex-post review of regulations	Evidence: RIA guidelines/procedures, contents of published RIAs		
<b>Sub-criterion 1.2:</b> The mandates of institutions in charge of regulatory enforcement and inspections reflect goals in terms of risk reduction and pursuing public interest	Evidence: official mandates as adopted in relevant legislation/official documents		
<b>Sub-criterion 1.3:</b> Do the indicators and data used to assess the performance of regulatory enforcement and inspections institutions similarly focus on outcomes such as risk reduction, economic growth, social well-being etc.?	Evidence: performance indicators as officially adopted and publicised		
<b>Sub-criterion 1.4:</b> Effectiveness evaluations are implemented in practice, and really inform choices in terms of inspection and enforcement structures, methods, resources and tools	Evidence: official policy on evaluations, examples of public evaluations and follow up reports		
<b>Criterion 2: Selectivity</b>	<b>Selectivity. Promoting compliance and enforcing rules should be left to market forces, private sector and civil society actions wherever possible: inspections and enforcement cannot be everywhere and address everything, and there are many other ways to achieve regulations’ objectives.</b>		
<b>Sub-criterion 2.1:</b> Alternatives to state-led regulatory enforcement are genuinely considered in the Impact Assessment process	Evidence: RIA guidelines, contents of published RIAs		
<b>Sub-criterion 2.2:</b> Legal and institutional mechanisms exist to enable alternatives to state-led regulatory enforcement, where appropriate – and these are effectively made use of in cases where they can be effective	Evidence: Enabling legislation e.g. for collective action, insurance mandates, liability of economic operators etc. Examples of practical use of such schemes		
<b>Criterion 3: Risk focus and proportionality</b>	<b>Risk focus and proportionality. Enforcement needs to be risk-based and proportionate: the frequency of inspections and the resources employed should be proportional to the level of risk and enforcement actions should be aiming at reducing the actual risk posed by infractions.</b>		

<b>Sub-criterion 3.1:</b> Applicable legislation allows for risk-focus and risk-proportionality – and requires it to be the foundation of inspection and enforcement activities	Evidence: framework or sector-specific legislation contents regarding discretion, risk proportionality		
<b>Sub-criterion 3.2:</b> A common approach to risk assessment and risk management exists, or at least similar understanding and practices across most regulatory domains	Evidence: official document(s) on risk assessment and risk management		
<b>Sub-criterion 3.3:</b> Majority of inspections are proactive, targeting of inspections is effectively based on risk, including the management of complaints and reactive inspections	Evidence: official guidelines on targeting, annual reports with data on inspection activities and targeting (with data on different risk groups)		
<b>Sub-criterion 3.4:</b> Enforcement decisions are effectively based on risk-proportionality	Evidence: official guidelines on risk-proportional enforcement, annual reports with data on enforcement decisions and analysis/trends		
<b>Sub-criterion 3.6:</b> Risks, risk management strategy and risk-based enforcement approach are clearly and actively communicated to all stakeholders, with a view to manage expectations and improve outcomes	Evidence: official policy and evidence of outreach efforts		
<b>Criterion 4: Responsive regulation</b>	<b>Responsive regulation. Enforcement should be based on “responsive regulation” principles: inspection enforcement actions should be modulated depending on the profile and behaviour of specific businesses.</b>		
<b>Sub-criterion 4.1:</b> Applicable legislation allows for differentiated (responsive) enforcement and provides an appropriate framework for discretion (allowing for it, but within bounds, and with accountability)	Evidence: contents of applicable framework and/or sector-specific legislation regulating enforcement in enforcement decisions, secondary legislation and/or guidelines on how to exercise it		
<b>Sub-criterion 4.2:</b> The gradation of available sanctions is adequate to allow credible deterrence through escalation of sanctions (“light” enough to be used when needed, “strong” enough to outweigh potential profits from non-compliance)	Evidence: provisions in framework and/or sector-specific legislation empowering officials to apply sanctions, secondary legislation and/or guidance clarifying the range of possible decisions		
<b>Sub-criterion 4.3:</b> Clear distinction, but also effective articulation, between regulatory activities focusing on promoting compliance, and law-enforcement activities focusing on fighting crime	Evidence: official government vision, mandates of inspections and enforcement institutions (official statutes, strategy documents, annual reports etc.)		
<b>Sub-criterion 4.4:</b> Enforcement practices differentiate responses based on regulated subject track record (and treat newly established businesses distinctly), risk assessment, effectiveness of different options	Evidence: official policy documents, annual reports data and analysis		
<b>Criterion 5: Long term vision</b>	<b>Long term vision. Governments should adopt policies on regulatory enforcement and inspections: clear objectives should be set and institutional mechanisms set up with clear objectives and a long-term road-map.</b>		
<b>Sub-criterion 5.1:</b> An official vision, strategy and/or legal framework has been adopted for regulatory enforcement and inspections, setting goals, objectives and key principles	Evidence: official vision, strategy document or other framework		
<b>Sub-criterion 5.2:</b> Mechanisms and practices (including, but not limited to, Impact Assessment) to avoid or limit the occurrence of “Risk-Regulation Reflex” situations and decisions	Evidence: official policy or government vision on managing risk, responding to incidents and crises		
<b>Sub-criterion 5.3:</b> The long-term vision has practical effects, informs key reforms, legislation and decisions. An institutional framework is in place to ensure this and avoid short-term policy swings	Evidence: institutional mechanism in place to ensure implementation of long-term vision or strategy		

<b>Criterion 6: Co-ordination and consolidation</b>	<b>Co-ordination and consolidation. Inspection functions should be co-ordinated and, where needed, consolidated: less duplication and overlaps will ensure better use of public resources, minimise burden on regulated subjects, and maximise effectiveness.</b>		
<b>Sub-criterion 6.1:</b> The issue of institutional mandates, coordination and consolidation is taken into account at the regulatory drafting stage and in the Impact Assessment process	Evidence: RIA guidelines and contents of published RIAs		
<b>Sub-criterion 6.2:</b> Duplication of functions is avoided and mandates and responsibilities are clear (between different institutions, between national and local levels)	Evidence: overview document on inspection functions, official initiatives to consolidate or clarify them		
<b>Sub-criterion 6.3:</b> Different inspection and enforcement structures share information and records, participate in joint alert systems, coordinate "on the ground" – particularly in related regulatory areas	Evidence: existing systems (joint alert, information sharing etc.), institutional mechanisms, joint plans of inspections		
<b>Sub-criterion 6.4:</b> Mechanisms are in place or being introduced to increase efficiency through better information sharing, agencies acting as "eyes and ears" for others – re-inspections of the same issue are avoided, as well as duplicated reporting	Evidence: official policies or memoranda of understanding between agencies, documented processes and procedures, contents of staff training curriculum		
<b>Sub-criterion 6.5:</b> Allocation of resources and strategic planning are done taking into account all structures working in a given regulatory area	Evidence: guidelines on strategic planning/review, contents of strategic planning/review documents		
<b>Criterion 7: Transparent governance</b>	<b>Transparent governance. Governance structures and human resources policies for regulatory enforcement should support transparency, professionalism, and results-oriented management. Execution of regulatory enforcement should be independent from political influence, and compliance promotion efforts should be rewarded.</b>		
<b>Sub-criterion 7.1:</b> Senior management of enforcement and inspection institutions is appointed in a transparent way, based on professional competence, minimizing political interference	Evidence: policies and procedures for recruitment of senior management		
<b>Sub-criterion 7.2:</b> Key decisions, changes in processes, procedures and structures require collegial decisions and/or external scrutiny, avoiding excessive instability and discretionary managerial power	Evidence: official statutes and other official documents prescribing governance of inspections and enforcement institutions		
<b>Sub-criterion 7.3:</b> Stakeholders are consulted and represented in the governance of inspection and enforcement institutions, particularly strategic ones	Evidence: official statutes and other official documents prescribing governance of inspections and enforcement institutions, annual reports		
<b>Sub-criterion 7.4:</b> Inspection and enforcement structures have missions, powers, procedures and funding mechanisms that exclude conflicts of interest and conflicting goals	Evidence: legislation, official documents (statutes etc.), budget documents, annual reports		
<b>Sub-criterion 7.5:</b> Decisions at all levels are made based on transparent criteria and processes, allowing for consistency in enforcement decisions, and accountability	Evidence: official guidelines and annual reports		
<b>Sub-criterion 7.6:</b> Strategic decisions and changes require political approval (legislative, executive) – but operational decisions are made "at arm's length" and shielded from political interference	Evidence: official legislation and statutes of inspections and enforcement institutions, annual reports		

<b>Criterion 8: Information integration</b>	<b>Information integration. Information and communication technologies should be used to maximise risk-focus, coordination and information-sharing – as well as optimal use of resources.</b>		
<b>Sub-criterion 8.1:</b> Inspection and enforcement structures have adequate and up-to-date data and IT tools allowing for effective risk-based planning and follow-up on previous inspections	Evidence: Existence of ICT systems, availability of functions and data		
<b>Sub-criterion 8.2:</b> Data is shared regularly between different structures and/or records of other structures are easy to look up – or, better still, data is fully integrated (single database) among different structures	Evidence: existence of systems for data exchange or data integration		
<b>Sub-criterion 8.3:</b> Information systems make use of advanced techniques e.g. automated planning, integrated resource management, mobile tools for inspectors, GIS etc.	Evidence: availability of automated planning functions, mobile tools, GIS systems etc.		
<b>Sub-criterion 8.4:</b> Sharing/exchange of data goes beyond the “narrowly defined” inspection and enforcement field and includes business registration, licensing, public health etc.	Evidence: exchange of data with “non-inspection” services – availability of data, existence of procedures etc.		
<b>Criterion 9: Clear and fair process</b>	<b>Clear and fair process. Governments should ensure clarity of rules and process for enforcement and inspections: coherent legislation to organize inspections and enforcement needs to be adopted and published, and clearly articulate rights and obligations of officials and of businesses.</b>		
<b>Sub-criterion 9.1:</b> Legislation on inspection and enforcement is as much as possible consolidated, and laying out rights, obligations, powers and procedures clearly	Evidence: existence of a piece of legislation covering key elements of inspections and enforcement		
<b>Sub-criterion 9.2:</b> A comprehensive list of inspection agencies, structures or functions (as appropriate) is available. And it is clear who can control which sectors and issues	Evidence: availability of a consolidated list of inspection services		
<b>Sub-criterion 9.3:</b> There are well publicized, adequate and trusted possibilities to appeal decisions and to file complaints – and data on appeals and complaints is regularly assessed and taken into account	Evidence: appeal and complaints processes description, data on use of appeals and complaints, evidence of follow up through annual reports and/or strategy documents		
<b>Sub-criterion 9.4:</b> Decision making processes, rights and obligations, powers of inspectors are clear for all, transparent, balanced – giving a sound foundation for risk-proportional decisions, with adequate but bounded discretion	Evidence: processes, powers and rights as defined in primary and secondary legislation and other official documents		
<b>Criterion 10: Compliance promotion</b>	<b>Compliance promotion. Transparency and compliance should be promoted through the use of appropriate instruments such as guidance, toolkits and check-lists</b>		
<b>Sub-criterion 10.1:</b> Promoting and supporting compliance is seen as a duty of inspection and enforcement structures rather than relying on an “everyone should know the law” approach, or seeing advice and guidance as activities that should be left to private consultants	Evidence: government vision on inspections, framework legislation, strategy documents, etc.		
<b>Sub-criterion 10.2:</b> Regulators, inspection and enforcement structures actively and regularly analyse barriers to compliance, and work to overcome them, in particular as they relate to information	Evidence: annual reports and strategy documents		
<b>Sub-criterion 10.3:</b> Information, advice and guidance are delivered through a variety of complementary tools – clear, practical and easy-to-find guidance documents – active outreach – on-the-ground advice	Evidence: existence of guidance documents, outreach portals – annual reports on outreach activities		

<b>Sub-criterion 10.4:</b> Legal foundations exist for the practice of "assured advice" and it is being used as much as possible to increase regulatory certainty	Evidence: framework or other primary legislation (or, in its absence, secondary legislation) foreseeing the possibility of "assured advice" – existence of institutional mechanisms to provide it.		
<b>Criterion 11: Professionalism</b>	<b>Professionalism. Inspectors should be trained and managed to ensure professionalism, integrity, consistency and transparency: this requires substantial training focusing not only on technical but also on generic inspection skills, and official guidelines for inspectors to help ensure consistency and fairness.</b>		
<b>Sub-criterion 11.1:</b> The profession of "inspector" (under whichever name) is defined as such, with a combination of technical (field-specific) skills and "core" competencies linked to risk management, compliance promotion etc. Professionalism is the foundation for risk-based discretion	Evidence: official document(s) defining the role of inspectors, the core elements required in terms of professional qualification		
<b>Sub-criterion 11.2:</b> Training for inspection and enforcement staff is conducted both upon recruitment, and on-the-job throughout their career, to ensure both up-to-date knowledge and adequate methods	Evidence: official document(s) on training, incl. curriculum – annual reports		
<b>Sub-criterion 11.3:</b> Competency of staff members, and overall capacity of the organisations they work in, are regularly assessed – and efforts are made to continuously enhance them	Evidence: official procedures and tools for assessment, annual reports (for follow up)		
<b>Criterion 12: Reality check</b>	<b>Reality check. Institutions in charge of inspection and enforcement, and the regulatory enforcement and inspection system overall, should deliver the performance that is expected from them – in terms of stakeholders satisfaction, of efficiency (benefits/costs), and of total effectiveness (safety, health, environmental protection etc.).</b>		
<b>Sub-criterion 12.1:</b> Performance of inspection and enforcement institutions (satisfaction, efficiency, effectiveness) is tracked regularly	Evidence: availability of data (with adequate regularity and quality)		
<b>Sub-criterion 12.2:</b> Level of stakeholder (businesses, civil society) satisfaction and trust is stable or improving	Evidence: data from business surveys, focus groups etc. showing positive trends		
<b>Sub-criterion 12.3:</b> Performance in terms of safeguarding social well-being and/or controlling risks is stable or improving (correcting for possible external shocks)	Evidence: data from official sources, complemented when possible through independent studies or monitoring (incl. surveys), showing positive trends		
<b>Sub-criterion 12.4:</b> Efficiency (performance in terms of social well-being balanced with costs for the state and burden for regulated entities) is stable or improving	Evidence: data from official sources (budget costs, annual reports), complemented when possible through surveys or other measurement exercises (e.g. Standard Cost Model studies), showing positive trends.		
<b>Sub-criterion 12.5:</b> Personnel and equipment. The inspectorates have enough inspectors and facilitate them adequately to be able to carry out their work.	<b>Evidence:</b> For all tasks the amount of work is known and the personnel is (in general) fully hired. Payment for all personnel must be enough to fund basic needs and not to be corrupt. A program to prevent corruption is active. Training program with regular trainings provided to all inspectors, and funding for training is available. All necessary equipment (protective clothing, transportation, instruments for measuring and samples, IT) is available, in sufficient amounts and maintained well. An IT system is operational and used actively by inspectors (and preferably also online available when inspecting). There are official regulations that grants inspectors clear rights and obligations while performing inspections. There is official identification for inspectors. Practical checklists are (preferably electronical) available and used by inspectors. They are also available to the inspectees and the public. There is a clear career planning for inspectors.		