

Internal audits are vital to the success of your firm's quality management efforts, and they're easier to conduct than you think.

BY PAT THOMASHEFSKY

February 2006

quality corner

**CHANGE IS THE ONLY CONSTANT.** In today's turbulent and dynamic business environment, organizations can only become successful if they can continuously challenge the status quo and improve their products, services, and customer value as part of their day-to-day operations. Quality management systems (QMS) are now viewed internationally as starting points for business excellence. *Internal audits*, an important part of any effective QMS, add fresh eyes and organizational expertise to the wealth of tools available to management.

## Just what is the purpose of an internal audit?

An internal audit is a review of each specific department and, therefore, the system as a whole. Employees in the company audit departments for which they do not have direct responsibility, in order to achieve an objective evaluation. This quality assurance activity is designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control, and governance processes.

Internal auditing affords the company the opportunity to review the reliability and integrity of information, compliance with policies and regulations, the economical and efficient use of resources, and established operational goals and objectives.

There are basically three types of internal audits that encompass activities and operations including systems, processes, and products. As a point of clarification, the internal audits we will be addressing here are *system internal audits*. Also, within this document the "auditee" referred to is the person in each department to whom the internal auditor's questions are being addressed.

## Who conducts an internal audit and how often?

A trained person, independent of the area being audited, or the management representative conducts the audit. Internal audits are required for AISC Certification and must be conducted at least annually. The results must be documented including any corrective actions to the quality management system. The results of the internal audit, including the closure and/or progress of any CARs (corrective action reports), are to be reviewed by management at their management review meeting (more on these meetings in a later issue).

## So how do I conduct an internal audit?

#### **BEFORE AN AUDIT**

- → Train your internal auditors. Did you think you only had to train those individuals who directly affect quality? Well guess what...your internal auditors *do* directly affect quality! Training them is key.
- → Make sure the authority of the internal audit team is established and communicated by executive management. This will increase the cooperation from auditees.
- → Prepare an audit plan. Who, where, when, and what does it involve? (Hint: At a minimum, highlight all "shall," "will," and "musts" in the *Standard* and write in the margin who will be interviewed and when.)
- → **Perform a documentation audit.** If that sounds scary, it's not. Just read the documents you will be auditing against. Know what they say. Do your procedures comply with the requirements?
- → Prepare an audit checklist. There is a sample internal audit report on our web site at www.qmconline.com. This enables the auditor to document each area audited and provide notation on CARs issued. Develop questions to ask the auditees. (Hint: use the results of the documentation audit.)

### **DURING AN AUDIT**

- → Be professional and avoid being judgmental. Remember this is about the *process* not the *people*.
- → Explain the purpose of the audit to the auditees and encourage honesty. Involve people, let them know this is a continual improvement effort and not a blame session or police action.
- → Ask the auditee to show you how a process, program, or procedure is performed. And if it is a required documented procedure or work instruction, where is it described?
- → If the process or program is not documented, always verify compliance with multiple sources of evidence (by interview or some type of document or record). Ask others to describe the process or program and show evidence of completion. Compare results.
- → Answer questions or discuss compliance concerns brought to your attention by auditees—without being judgmental.
- → Be flexible. If you find a potential concern not within the scope

**Quality Corner** is a monthly feature covering topics ranging from how to specify a certified company to how long it takes to become a certified company. If you are interested in browsing our electronic archive, please visit **www.aisc.org/QualityCorner**.

# **Conducting a Documentation Audit**

We think of the overall audit process as, "Say what you do" and "Do what you say." The documentation (i.e. the quality manual and procedures) is your opportunity to say what you do in a manner detailed enough to help a new employee step in and run the show—in the event you win the

lotto tomorrow. A documentation audit is a thorough review necessary to determine whether the company manual and procedures are reflective of the AISC requirements and especially your business. A documentation audit can identify omissions that could impact the quality of your processes and products now and in the future.

For the highest degree of effectiveness, a documentation audit should be performed in conjunction with the actual audit. The review should involve the objective assessment of whether the documentation in your company's procedures or work instructions is representative of the processes performed. During the review, collect data relative to documentation deficiencies identified and describe what (if anything) was  
Catholic and water and control in the contr

A downloadable, printable version of these documentation audit labels is available online at www.qmconline.com.

done about the deficiencies.

Collect the results of each record or documentation episode for which you issued a corrective action report (CAR). In particular, identify any action the auditee took when the possible documentation deficiency was pointed out to him/

> her. This way you can assess the effectiveness of your review and monitor areas where work is still needed. Offering constructive feedback to the individual auditee, as well as highlighting the impact of those findings, is invaluable.

# Need help?

QMC has designed a set of color coded documentation labels intended to save you time when you conduct a documentation audit in accordance with the Certification Standard for Steel Building Structures. This unique tool can be downloaded for free from www.qmconline.com under the "resources" section. The labels can be printed on standard address labels and are used to identify all of the areas in the Building Standard that require documentation and specific procedures. An example of a CAR can also be found in the "resources" section.

of the audit, evaluate the potential risks of the problem if left unaddressed and discuss this with the auditee. Depending upon time constraints, you may want to do this after the internal audit for this area is complete; make a note to address the concern at that time.

## **AFTER THE AUDIT**

- → If more than one internal auditor was involved, hold an auditors' meeting to discuss the findings.
- → Hold a closing meeting with the auditees. This does not need to be as formal as it may sound.
  - First, point out what was done well.
  - Second, address the non-conformances and ensure that the auditees understand the non-conformances and what part of the criteria was not met.
- → Issue the CARs in a timely manner. (Hint: Include areas for auditees to indicate a plan to prevent reoccurrence.)
- → Assist those responsible for completing the corrective actions with setting reasonable deadlines. The corrective action deadlines may vary depending on the severity of the noncompliance.
- → Be available and willing to help the auditees.
- → Ask for feedback on how you and your audit team were perceived. Adjust your approach if necessary.

## **One Last Tip: Involve People!**

Use audits as opportunities to train others. Ask for a volunteer (who is not an auditor) to walk through the audit process with you as an assistant. This will provide others with a better understanding of what audits are and why they are necessary. Involving people creates a feeling that everyone is a vital contributor to the company's goal—compliance.

An internal audit cannot effectively be accomplished sitting around a boardroom table. The initial doc audit may be done alone at a desk, but you have to get out and talk to those performing the processes in order to get a reliable "snapshot" of your system.

## Pat Thomashefsky is Lead Auditor for Quality Management Company, LLC.

Questions?Callusat312.670.7520ore-mailcertinfo@qmconline. com. Visit www.qmconline.com and click on FAQs to see what questions others are asking.