

# How Do I Conduct an Internal Audit?

**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

**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](http://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

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