

The Auditor Cometh

BY ZANE KENISTON

How to make your next QMC audit a bit less stressful.

AMONG THE MANY ACTIVITIES IN LIFE THAT CAN CAUSE STRESS is being subjected to an audit—specifically, an audit of your company’s quality system. But learning more about who auditors are and what they do can help reduce the stress level.

Meet the Auditor

Quality Management Company (QMC) auditors are all independent contractors, not employees of either QMC or AISC. As such, this allows the audit to be independent and objective. This fact alone provides an assurance to the steel construction industry that AISC Certified Fabricators’ and Erectors’ quality systems are not above scrutiny.

To that end, QMC strives to continually improve the auditor’s skill set and understanding of process-based auditing of quality systems. This is accomplished in a variety of ways: semiannual training sessions, regular communication with the auditors, an online forum for the auditors to “calibrate” amongst themselves, and quarterly performance reviews.

The basis for these reviews is generated in part from feedback received from the certified fabricator and erector through a QMC customer survey. QMC’s lead auditor discusses with each auditor their identified areas of strength as well as areas needing improvement.

All of this is how the auditors are themselves audited. Anything less would not be fair to the auditors or those they audit.

Putting a face with a name can also reduce the stress related to an audit. After all, auditors are people too! (You can get a look at an auditor’s “mug shot” by visiting QMC’s website at www.qmconline.com and following the “About Us” link to the “Meet Our Auditors” link.)

Auditor Goals (Besides Auditing)

A QMC audit typically lasts one or two days at the fabricator’s or erector’s facility. (For the erector, an auditor will spend one day at a functioning erection site.) Since the audit is relatively short in relation to the company’s working year, what is the goal of the audit and how is that accomplished? There are several quality goals that the QMC auditor wants to achieve during the audit. These are to lead, inspire, and educate.

Lead

The auditor wants to help lead the fabricator and erector forward. Just as people grow and mature at different rates, so do fabricators and erectors. Therefore, the QMC auditor attempts to discover what growth level the company is at and then lead them forward along the growth path. This can be a serious challenge, especially if it is the auditor’s first visit to the facility and/or there is some resistance from the employees at the facility.

On that point, although resistance to the auditor does happen from time to time and at various levels of management, for the most part the fabricators and erectors demonstrate themselves to be quite willing to undergo the rigors of the audit. They understand the benefits associated with having constructive observations made of their quality system.

Whatever growth level the fabricator or erector is at, they can always continue to move forward. Standing still in the steel fabrication industry is not healthy in these challenging times. For one thing, although the structural steel fabricators compete amongst themselves on projects, their biggest competitor comes from the concrete industry.

But whether your competition is another fabricator or another building material, it has been said that standing still is actually moving backwards when your competitors are moving forward!

So, one way the auditor measures growth is by identifying the process controls and their features that are functioning within the current quality management system (QMS). Such controls are the practical application of written procedures. These process-related controls are one of the best measurements of a company’s QMS level of maturity. These observed controls within the system become part of the audit report as “Identified Strengths.”

Inspire

Now that the tempo is set for the on-site audit, the next goal of the auditor is to inspire. What do we mean by that?

The dictionary definition of inspire is “to stimulate to action” or “motivate.” The auditor does not act as a consultant, but



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instead tries to inspire, stimulate, and motivate the fabricator or erector to action—that is, action in regards to their QMS.

Each auditor is confident that the effective use of an AISC Certified QMS is vital to the overall growth and health of the fabricator and erector. In a much larger way, the growth of the steel industry is affected. Why do we say that?

Well, the end use of the product, structural steel, is ubiquitous, thereby affecting the lives of hundreds of millions, if not billions of people. And all of that steel at some point in its life made its way through a steel fabrication shop of some sort and then into the hands of a steel erector. Once the steel is placed in its service position, that is not the time to question whether or not the fabricator's purchasing control functioned correctly—i.e., that the specified grade of material, bolts, or welding consumables were ordered, received, and incorporated into the product. Neither is it the time to begin wondering if the erector's written bolt procedure was followed or if their welding was performed according to the contract's specified code.

Instead, the auditor inspires the fabricator to examine their existing QMS in such a way that the quality of the product is built in long before the steel even arrives at the fabrication shop. Or, he motivates the erector to discern where improvement needs to be made in their QMS so that not only does production improve, but also costs and exposure are reduced.

Improving productivity and reducing costs and associated risks are fundamental aspects to any company's QMS. Thus, as the audit progresses the auditor is seeking to inspire—to motivate the fabricator and erector to seek ways to improve their QMS.

How does the auditor accomplish this without taking on a consulting role? There are three ways:

Opportunity for Improvement. This is a suggestion that appears in the final report for the company to consider during their next high-level management meeting. If such a control is instituted, it may improve their processes (increase production, reduce costs and risks). Whether or not to implement these suggestions rests with the fabricator or erector, since the QMS belongs to them.

Concerns. Sometimes the controls the fabricator or erector has established are obsolete or for some reason are not being used. In this case, if the auditor finds such a nonconformance within the system, it will quite likely be written into the final report as a "Concern." Such a nonconformance would be relatively minor in nature but still needs attention so that it does not develop into a much larger problem. The management team must address Concerns at their regularly scheduled review meetings and take their own corrective action to bring the process back into control.

Corrective Action. Sometimes the controls set in place have failed for some reason and the fabricator or erector has a "customer-critical" nonconformance on their hands. If this is identified by the auditor, a corrective action request (CAR) is issued. This is an elevated nonconformance in that the company now has to address the matter with the QMC office in Chicago, within a set time frame.

As the name implies, a customer-critical nonconformance needs immediate attention so as to protect not just the customer but also the fabricator or erector.

If the nonconformance has found its way into product, then the fabricator or erector must follow their written nonconformance procedures to remedy the situation. At the same time, the CAR forces them to address the nonconformance at its root cause, find the control within their QMS that is malfunctioning, and correct it. Otherwise, how will they be able to cost-effectively prevent a repeat of that same customer-critical nonconformance?

Educate

Dr. W. Edwards Deming is quoted as saying "Learning is not compulsory...neither is survival." In this nugget of wisdom from his book *Out of the Crisis*, Dr. Deming reminds us that every day we should be making efforts to expand knowledge and develop expertise in our work and in our lives.

One definition of education encompasses both the teaching and learning of knowledge, proper conduct, and technical competency. It thus focuses on the "cultivation of skills, trades, or professions," as well as "mental, moral, and aesthetic development."

So the auditor's third goal is to educate without consulting. In particular, the auditor desires to educate senior management to the benefits of a healthy, active QMS.

Care is needed on the part of the auditor so that management does not feel their years of experience and knowledge in the structural steel industry are being ignored. With that in mind, the auditor endeavors to educate in a manner that management will benefit from the most.

How is this goal achieved? During the course of the audit the auditor will review with senior management the company's internal audit, corrective actions, management review meeting, and the quality goal. This is designed to help the fabricator and erector cultivate skills vital to their quality system. The auditor will not perform these tasks for the company; rather, they will try to bring an understanding or acceptance to these management-related aspects of the QMS.

For instance, is the internal audit effective, revealing areas within the system that may need more attention from management? If the internal audit is promoted as a function of management, it will be used as a quality tool that will help the company realize improved production levels and lower costs and exposure. Just like a tool or piece of equipment purchased for use in the shop or field, the company does not want it used once and then sitting idle indefinitely. Few pieces of equipment realize a return that quickly. Rather, a piece of equipment must be productive to realize a return on that investment. It is similar with the internal audit, management reviews, corrective actions, and the quality goal. These are all quality tools that, used properly by management, will be generous in their returns for the fabricator and erector.

Take a Deep Breath

So as the time for your next audit becomes reality, hopefully any stress it may produce will be alleviated somewhat from this brief discussion. Keep in mind that the auditor is there to lead, inspire, and educate. All of this is for the benefit of the company being audited, as well as for its customers and the steel construction industry as a whole.

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