

PARTICULARITIES OF INTERNAL AUDIT IN A SYSTEM OF MANAGEMENT OF QUALITY

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Abstract: In the present study we analyze internal audit with its specific elements in the case of ISO 9000 standard. There are first presented the objectives of audit in such an area which regards eliminating the deficiencies and improving the system. Afterwards there are presented some of the qualities which a personal enterprising audit must possess, person known as auditor mainly to be qualified, to have training in the area, to possess aptitudes of oral and written communication, to be a good listener and to know to take notes only of the essential. Afterwards we present some detailed methods and techniques that the auditor has at his disposal in order to fulfill his work, such as: examining the documents, observing the shareholders in action and the interviews. After analyzing the three methods it is believed that the most difficult one is interviewing the employee or the one being examined. There are emphasized some modalities to facilitate this process. Of all these, the attention are especially drawn by the proper type of questions, out of which we mention: open questions, close questions, questions of illustration, orientation questions and aggressive questions. It is recommended that the auditor uses mainly open questions, and occasionally close and illustration questions, as the interview demands it.

In the present study there are also set out the concerns of the leader of the audit team in preparing the audit, respectively: preparing a plan and a verification register. The audit plan will determine the activity or sector which will be examined, and the verification registers help establishing the audit effectiveness and allows the auditor to control this process. In the end of the study there are presented the three parts of the audit process: the opening session, the proper audit and the final session. For the persons enterprising the audit, as well as for the ones being examined, within these parts of the audit process, they acquire certain responsibilities which are mentioned in the final report.

After the policies, procedures and work instructions have been conceived and implemented, verifications will be made to ensure ourselves that system functions normally and the expected results are being obtained. This is done with the aid of internal audit, which is one of the key elements of ISO 9000 standard. All the elements of the system of quality will be examined at least once a year, some even more than once, depending on the necessities.

The objectives of audit

There are five objectives of internal audit.

- Establishing if the existing quality level is at the level provided by the system of quality and its gathered documents.
- Initiating corrective measures as a response to the manifestation of some deficiencies.
- Continuing the elimination of deficiencies evidenced by the previous audits.
- Contributing at improving the system, offering the managers information through

feedback.

- Making the examined person concentrate on the process he develops in order to suggest some measures of improving the activity.

The auditor

The audits must be done by qualified persons, who have performed training courses regarding the principles and the procedures of audit. In order to be able to run an efficient audit, an individual must possess aptitudes of oral and written communication, be a good listener and know to take notes of the essential. Also, he must have capacity of concentration over the assignment to achieve, his attention must not be distracted by other activities that may be taking place at the same time, he must be a fine observer, to know how to ask questions and be able to separate the relevant facts from the irrelevant ones.

The auditor must be objective, honest and impartial. Of course, he must also possess a good knowledge of standards.

The techniques

During the audit process there are some techniques which the auditor has at his disposal. His objective is to collect information, and there are three methods in this effect: examining the documents, observing the developing activities and the interviews.

The easiest method is examining the documents. For example, the auditor will verify the orders of acquisition in order to determine if they are properly drafted and respecting the procedures; if there are all the mentioned appendix; if the orders of acquisition are numbered, signed and have their data on; if the provision was made only from the designated providers etc. The auditor must be thorough; he must have an inclination towards details.

Observing the activities is also a method which requires thoroughness. For example, for evaluating the control activity of the production process from the point of view of proper work conditions, the auditor must observe the degree of work protection, the cleanness of the production sections etc.

The most difficult method of information gathering is interviewing the employee or the one being examined. There are, still, some ways of facilitating this process. First, the person being interviewed must be put in a comfortable position, some introduction words must be changed between the two and he must be presented the purpose of audit. This introduction can be followed by some easy questions, such as "How long have you been working in this organization?". Humor also helps at relaxing the atmosphere. Moreover, it is recommended adopting a friendly attitude, make compliments towards the interviewed person, call him/her on his/her first name, give him/her encouraging suggestions etc.

Second, spend as much time listening to the one being interviewed and talk as less as possible. Encourage the employees to talk about their activities. Afterwards present them your conclusions to be sure there are no mistaken interpretations.

Third, when you find deficiencies of the analyzed activities and systems, retain the essential. Keep the main observations for the report; deliver the other ones to the examined employee. Concentrate on the system and not on the interviewed person.

Fourth, discuss the main problems with the interviewed person in a informal environment. The purpose of auditor is to identify the problems and allow the

organization to find the solutions. The auditor must ensure himself that the organization has understood the problem, has become conscience of it and agrees that this requires taking some corrective measures. Thus, the cooperation will be oppressed, maybe even impossible. Sometimes, the auditor, an experienced person, can have an idea of solving an identified problem. In this case, he must make the interviewed person think that the idea was actually his.

Fifth, use the proper type of question. There are open questions, close questions, illustration questions, orientation questions and aggressive questions. Each of these will be analyzed in the following paragraphs.

Here are some examples of open questions:

"When does the review of the providers take place?"

"Where is mentioned the statute of this product's inspection?"

"Where does this document come from?"

This type of questions seeks to obtain a wide palette of answers, not yes or no answers. They are used to discover an opinion, the explanation of a process, the attitude of a person or motives which were the grounds of an action of his. The disadvantage of open questions is that the auditor can get more information than necessary.

The following are examples of close questions:

"Do you provide a work instruction for this operation?"

"Does this instrument need calibration?"

"Does this matrix come from the provider?"

These questions can be answered through yes or no and they rapidly provide the wanted information. They are used to obtain precise information and to dismiss possible confusions. The disadvantage of close questions is that they can make the interviewed look like an interrogation.

Here are some examples of illustration questions:

"Tell me more about this operation."

"Please, give me some examples."

"What do you understand by the wrong segmentation of the production process?"

This type of question is used when wanting to obtain additional information. They prevent of misunderstandings and encourage the interviewed person to be relaxed and open. The disadvantage is that it might be created neither an impression that the auditor is nor paying attention to the interview or that he is not competent. Also, when used to frequently they take up too much time.

The following question is of orientation:

"Don't you agree that this inconformity was caused by the wrong understanding of the acquisition order?"

This type of questions should be avoided, as much as possible, because they suggest, some way, the answer and influence the results of the audit.

Aggressive questions can be in the following way:

"You do not mean to say that this is the only verification you do?"

This type of question must be avoided because it is offensive and generates controversies.

It is recommended that the auditor uses, mainly, open questions, and occasionally some close and illustration questions, as the interview requires.

The table of audit unfolding

	Month						
The department	1	2	3	...	10	11	12
Sales		✕		...			
Acquisitions	▶			...	✕		
Production			✕	...		✕	
Assembly		✕		...	✕		✕
Quality	✕		✕		✕		✕

Legend

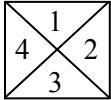
	<table style="width: 100%;"> <tr> <td style="width: 50%;">1. Notifying the audit</td> <td style="width: 50%;">3. Proposed corrective measures</td> </tr> <tr> <td>2. Performing the audit</td> <td>4. Fulfilling the audit</td> </tr> </table>	1. Notifying the audit	3. Proposed corrective measures	2. Performing the audit	4. Fulfilling the audit
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Fig. 1: The table of audit unfolding

Procedure

Before the unfolding of the audit, team leader will prepare a plan and a verification register. The audit plan mention the activity or sector to be examined; the list of procedures, documents and other reglementations which will be consulted; the persons making up the audit team; who will be informed of the results and will be handed the reports. The plan will also include a table as the one presented in Figure no. 1. This table will comprise data regarding the ones who will be notified about the unfolding of the audit, the ones who will make the audit, the corrective measures and the effects of the audit, if be the case.

It may become useful drafting the matrix of audit, like the one in Figure no. 2. It presents the compartments and elements highly influenced by the unfolding of the audit.

The verification registers, help establishing the effectives of the audit and allows the auditor to control this process. They can contain questions which will be asked, the moment at which they will be asked and a column for answers. The questions comprised in the register will be based on procedures, the work instructions and the registers making the project of the audit.

The audit process has three parts: the opening session, the proper audit and the final session. During the opening session, there will be discussed the developing plan of

audit and there will be analyzed the results of previous inspections, some minutes during this meeting will be registered, and they will be considered as part of the drafted documentation. Here will include a list of the persons present at the meeting.

The matrix of audit

Element	Policy	Procedure	Sales	Acquisitions	Production	Assembly	Quality
4.1	Qpol 1		X	X	X	X	X
4.2	Qpol 2						
4.3	Qpol 3	Qpred 3	X		X	X	
4.4	N/A	N/A					
4.5	Qpol 5	Qpred 5	X	X	X	X	X
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
4.18			X	X	X	X	X
4.19			X				X

Fig. 2: The matrix of audit

The objective of audit is to establish how well the system of quality implemented was and maintained. In the case of large companies, there will designate a person to accompany the audit team. This person will have the role of a witness in case, later, some of the results of the audit will be contested. The companion is, usually, a supervisor or a person with management position within the examined sector. During the audit, the employees of that sector will be interviewed and the charts, based on which the interviews will unfold, will be consulted. Sometimes it may be possible that information discovered within one compartment could lead to questions asked to employees in another compartment. All the obtained answers will be recorded in writing. The audit is not only a measure of the degree in which the activity follows the provisions of the system of quality, but a measure of the system itself. It must establish if the used procedures are the right ones or if it is time for a change. The objective of the audit process is to ensure the continuous improvement of the activity and the increase in the degree of satisfying the client's needs. The conclusions which will be based on the notes made auditors and they will include the accurate as well as the inaccurate parameters. For the elements unconformable with the standard there will drafted special reports containing:

1. A title and a small identification number, like IA-4.3.2.2.1, where IA comes from "inaccurate", and the figures represent the number of the examined element.
2. The place where the nonconformity was identified.
3. The information based on which the standard deviation was established.

4. Stating as certain as possible the identified nonconformity, by comparison with the standard's provisions.

Within the final session, the audit team leader will present a summary of the performed observations, together with the information which they were based on. There will be mentioned a date until a final report will be presented and the persons towards whom it will be distributed. In this case there will also be registered a few minutes within the session mentioning the persons who participated. Regarding the final report, three things need to be mentioned:

1. It will have mentioned on its cover the date on which the audit was performed, the names of the persons in the audit team, the examined compartments, the list of those who will receive the report, a sole order number and the mention that the audit is only a model to follow. The report will be signed by the team leader.

2. It will comprise a list of the nonconformities, together with copies of all the individual reports of each identified deviation.

3. It will propose some methods of taking some corrective measures and of following its effects.

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