

You can't consult, but...

How far can third-party auditors go to add value during an audit?

Third-party auditors for certification bodies (CB) have generally been well trained to avoid potential conflicts of interest by not consulting during an audit. ISO/IEC Guide 62:1996 explicitly states, "Audit team members or their organization shall not have provided consulting services to the applicant or certified/registered supplier which compromise the certification/registration process and decision." This appropriate limitation is amplified in *IAF Guidance on the Application of ISO/IEC Guide 62:1996* (IAF GD 2:2003) by prohibiting the employment of audit team members who have consulted with the client within the two years preceding an audit.

Unfortunately, these restrictions have caused some CB auditors to hesitate before making value-added suggestions to their clients. Reluctant yet conscientious auditors facing this dilemma may well wonder, "How can I add value during my audits if I can't recommend specific corrective actions to non-conformances or specific approaches to questions asked by auditees?"

There are several solutions to this question, and none of them require auditors to stray beyond their professional boundaries into the minefield of prohibited consulting.

Explaining requirements

A good place to start adding value is during your interviews. The opportunity may arise when auditees seem confused or surprised about management system requirements. Even in organizations with mature, registered systems, I'm sometimes amazed by how many employees are unfamiliar with requirements that pertain directly to their specific workstations, regardless if these requirements derive from the management standard or the organization's own documented system. This sometimes occurs when CEOs restrict detailed knowledge of the organization's business systems to middle and upper management, which is their prerogative. ISO 9001 requires only that they "ensure that appropriate communication processes" provide employees with information about the organization's quality management system (QMS). This puts the responsibility on the auditor to determine whether the chosen method of communication contributes to an effective system.

ISO 9001's sub-clause 5.5.2 also charges the management representative with "ensuring the promotion of awareness of customer requirements throughout the organization." Long-term employees or management representatives might tell auditors that employees know the requirements by heart and don't need to refer or have easy access to requirements documents. The auditor can test the effectiveness of these conditions by asking how changes are communicated, and by observing whether recent changes have actually been implemented.

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One commonly missed item during QMS audits is statutory and regulatory requirements. Customers might not communicate these explicitly or might bury them in detailed specifications. Organizations rely on customers to be specific, but they usually don't follow up if the customer fails in this regard. By probing employees' knowledge of appropriate items in the hierarchy of requirements and explaining their meaning, including details of the organization's own documented management system, the auditor can add value to and encourage personnel without consulting.

Using referenced documents and guidance

When an auditee expresses concern about how to answer a non-conformance or an opportunity for improvement, or specifically asks for advice, an auditor need not hide behind the taboo on consulting. There are several excellent references and guidance to which an auditor can steer the client without consulting. However, you must be sure to caution the auditee that as the auditor, you can't specifically recommend a particular approach.

I've observed several good auditors state, "I can't consult or specifically recommend a solution, but here are some references that can help you choose how you might answer." When recommending a reference, it's always wise to add, "This reference gives some approaches to answering your question. These are just some of the ways to do it, not the only ways. You must analyze your own situation and decide what's best for you."

Some obvious references and some relatively unused ones come to mind. The first is the ISO/TC 176/SC2 guidance modules for using ISO 9001. Currently there are five:

- N524—Application, sub-clause 1.2
- N525—Documentation requirements of ISO 9001:2000
- N526—Terminology used in 9001 and 9004
- N544—Concept and use of the process approach
- N630—Outsourced processes

A typically touchy item for CBs and their auditors is the allowable exclusion of the design-and-development requirements in ISO 9001, sub-clause 7.3. Sometimes auditors will accept at face value the design prohibition statement in a client's quality manual. The requirement as stipulated in sub-clause 4.2.2 a) is that the quality manual must include "the scope of the quality management system, including the details and justification for any exclusion." Guidance module N524 contains an excellent treatise on the concept, justification, and claims of conformity concerning exclusions and follows this up with 10 detailed examples of exclusions, including several on the design exclusion. N630 contains an excellent explanation of the intent of the outsourced process requirement, the necessity for demonstrating sufficient control, and the management of interactions with other processes. These guidance documents were specifically developed to answer frequently asked questions about ISO 9001 and were intended for any users of the standard, not just CB auditors. They're updated occasionally. Latest revisions are available free at www.iso.org/tc176/sc2.

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In the May–June 2007 issue of *The Auditor* (“Views You Can Use,” page 14), Laura Smith reviewed two other sources of guidance specifically aimed at CB and accreditation body auditors. The one for CB auditors was written by the ISO 9001 Auditing Practices Group, a joint group of experts, auditors, and practitioners from TC 176 and the International Accreditation Forum (IAF). The one for AB auditors was written by the Accreditation Auditing Practices Group, a similar joint group from the ISO Policy Committee for Conformity Assessment (ISO/CASCO), TC 176, and IAF.

Although both sets of guidance were first introduced in 2005 and are updated on an ongoing basis, I’ve found that few CB auditors are aware or familiar with them. They aren’t normative (i.e. required by reference) under ISO 9001 or ISO 14001, and the authors caution that the documents haven’t been through the rigors of the ISO TC adoption process but are offered for educational and communication purposes. They can, however, be used by CB auditors as resources to aid clients in managing their internal auditing processes and developing their overall management systems. The guidance for CB auditors is particularly appropriate for client use. And don’t forget the obvious ISO 9000, with its excellent treatise on quality fundamentals, as well as related standards in the 9000 and 10000 series. (For specific titles, see the bibliography in ISO 9001.)

Two other seldom-used sources are available for reference to CB auditors and their clients. The first are the ANAB Advisories, which are soon to be being renamed “Accreditation Rules.” These are mandatory for ANAB-accredited CBs and their auditors as they conduct certification activities. Although the rules cover a wide range of administrative topics as well as specific direction to auditors, the auditing-related rules can give a CB auditor’s clients some valuable insight into what’s expected by ANAB of CB auditors, and consequently, how a client can guide the implementation of its management system.

Of particular interest for organizations is Advisory 19, “Classification of Negative Findings and Expected Actions and Responses.” It outlines the mandatory procedure that ANAB-accredited auditors must follow for processing findings from both office audits and witnessed audits of CBs. Advisory 19 provides an excellent model that organizations can use in their internal auditing process. It requires statements of the violated requirement, the specific nonconformity and audit evidence, as well as spaces to record corrections, root causes, corrective actions, and assessment of completion and effectiveness before closure. Most CBs already have similar processes for handling findings, but many organizations I’ve observed don’t have a process that encourages a response to all ISO 9001 requirements.

The other source from ANAB is its collection of Heads Up issues. Unlike its advisories, ANAB’s Heads Up bulletins aren’t mandatory but rather aimed at keeping CBs informed of upcoming changes and ANAB interpretations of accreditation requirements. Of particular interest to organizations are Heads Up Nos. 6, 11, 13, 18, 37, and 38, which address the controversial subject of minimum auditor days. CB auditors can use the appropriate Heads Up to explain to clients their CB’s approach to determining audit length, especially in defence of competitive CB bids for a lower (and possibly nonconforming) number of days. Another significant Heads Up for

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explaining the customer-focus shift in auditing is Heads Up No. 61, "Outputs Matter!" It explains ANAB's expectation of CB auditors in closing the loop of documented and implemented management systems with customer expectations. The Advisories and Heads Ups are available at www.anab.org.

Energizing the client's critical management processes

ISO 9001 management systems experts all agree that the most effective way to maintain and improve an organization's registered system is to vigorously exercise three key areas: internal audits, corrective and preventive actions, and management reviews. I've observed CB auditors who dutifully audit the existence and completion of an internal audit schedule and sample a few audit reports for closure of corrective actions, but fail to probe the reports' content to determine whether the audits revealed chronic situations that the CB auditor may have discovered in other parts of the surveillance audit.

Similarly, auditors will look at corrective actions to determine if they've been closed in a timely manner, but they don't determine whether root causes have been sufficiently developed or if corrective actions were effective. Management review minutes are examined for inclusion of required inputs and outputs, but auditors often fail to probe for any analysis of these data and appropriate actions to remedy deficiencies. ANAB accreditation auditors often characterize such audits as "mile-wide, inch-deep." Auditors will sometimes write opportunities for improvement in these cases but often soft-grade areas of subjective evaluation. Auditors can add significant value by writing findings for specific instances of these processes lacking effective elements. This would require the organization to take action. Citing the many references to good internal auditing practices can help the management representative revitalize the internal audit process.

Preventive action is another area that CB auditors tend to cover lightly. How can one write a non-conformance when no preventive actions have been recorded? Too many organizations and their management representatives still don't understand the difference between preventive actions as outlined in ISO 9001, sub-clause 8.5.3, and actions to prevent the recurrence of existing non-conformances as outlined in the corrective-action sub-clause 8.5.2. The auditor can add value by referring auditees to ISO 9000 and explaining the definitions set forth there. Unfortunately, the wording of sub-clauses 8.5.2 and 8.5.3 are nearly identical except for a few words such as "potential" and "prevent occurrence" in 8.5.3.

The auditor can also probe the connection between continual improvement projects and preventive actions. I've observed auditors successfully revitalize an organization's preventive action approach by probing its general business improvement projects. Many of these require capital investment, but they go unrecognized as true preventive actions related to the management system. The value added by these approaches creates internal ownership of these critical processes, improving the entire organization.

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Assessing the system's overall effectiveness

One of the more serious concerns with the third-party certification scheme for management systems is a frequent lack of correlation between an organization's ongoing certification and the satisfaction of its customers. Auditors can add value by thoroughly probing the system's overall effectiveness, not just assessing whether its individual parts are compliant with subsystem requirements. The two general intents behind an organization becoming certified to ISO 9001 are well-stated in the standard's first paragraph: "This International Standard specifies requirements for a quality management system where an organization a) needs to demonstrate its ability to consistently provide product that meets customer and applicable regulatory requirements, and b) aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system...."

The first general intent has been captured in the words "outputs matter" and is the subject of ANAB Heads Up No. 61, which contains two annexes, one for ISO 9001 and one for ISO 14001. It also addresses the second general intent, noting that for clients certified for either a QMS or environmental management system, expected outputs must include improving customer satisfaction, product and/or service conformance, environmental performance, legal compliance, pollution prevention, and continual improvement, as appropriate to the management system.

How can an auditor add value in assessing effectiveness? First, auditors should probe not only the existence of the organization's quality or environmental objectives, but also how well these integrate with overall business objectives. This requires some in-depth discussion with top management. This is a golden opportunity to discover whether top management is reactive to its certification and auditing system, or proactive in participating and promoting the system's maintenance and continual improvement. Are the objectives meaningful and related to customer needs and requirements? How aware are employees of corporate objectives and the status and trends of recent objective measurements? Some organizations reserve that knowledge for senior management only. ISO 9001 requires establishing objectives "at relevant functions and levels within the organization." Management has the prerogative to decide what functions and levels are "relevant." In such cases, the auditor can probe whether "personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives," per sub-clause 6.2.2 d). Are methods of determining customer satisfaction proactive and successful, or does the organization rely simply on monitoring customer dissatisfaction? Is tracking customer satisfaction viewed as a passive collection of records to satisfy the standard, or are actions initiated to remedy any unsatisfactory results or trends? In other words, how well is top management really in communication with its customers?

I've observed some excellent dialogues between CB auditors and CEOs that enabled the auditors to understand not only the degree of involvement of top management in their certified systems, but also hear some excellent revelations about where the organizations were headed and how they planned to get there.

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There's a complacency trap into which auditors who've conducted several surveillances of the same organization for a few years can fall. It's the assumption that what they've learned over the years remains unchanged. Two of the areas auditors can probe to verify status are whether "responsibilities and authorities are defined and communicated within the organization," per ISO 9001, sub-clause 5.5.1, and whether "the integrity of the quality management system is maintained when changes to the quality management system are planned and implemented," per sub-clause 5.4.2 b). Frequent shortcomings can occur in these areas when personnel change jobs, are replaced, or jobs are consolidated. New employees often aren't informed of their new job responsibilities related to QMS implementation and prioritization. These are some of the opportunities auditors can probe by noting and, as Heads Up No. 61 advises, writing non-conformances when specific requirements aren't met.

Conclusion

When all is said and done on audits, auditors must ask themselves, "Have I appropriately and completely characterized the effectiveness and degree of improvement of this management system?"

A suggested reference for additional advice is the Auditing Practices Group's guidance, *How to Add Value During the Audit Process* (<http://www.irca.org/downloads/IRCA250w%20APG%20How%20to%20add%20value%20during%20the%20audit%20process.pdf>). Although many of the examples discussed above have been drawn from QMS audits of ISO 9001-certified systems, they're equally applicable to ISO 14001 and other management systems. If some or all of the items noted above are done during an audit, an auditor can confidently say, "I've added value in my auditing, and I did it without consulting!"

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