

▶ **Question time:** Vincent Desmond

**Helen Stokes:**

Hello and welcome to the launch of our brand new audio newscast, as we at IRCA INform go multimedia to bring you the latest in news, views and opinions from top industry gurus. In keeping with INform issue 16's theme – auditing around the world – we thought we'd give this newscast an international flavour. We send out tens of thousands of copies of INform to auditors and others in the auditing industry in over 120 countries worldwide. We know from the online forums that you all have a lot to say about your industry and we thought this would be a great opportunity to discuss some of these burning issues with the policy makers, industry leaders and others who shape the auditing profession. Today we are talking to Vince Desmond, IRCA Deputy Director, about auditing overseas, stereotypes and what the future holds. So, Vince, could you tell us a bit about your career so far?

**Vince Desmond:**

Well I've been working for IRCA for about seven years. My first contribution was IRCA Training Course certification, because my background is in fact in corporate training and I was involved in that in the UK, but also in Europe and the Middle East. More recently I have been working for IRCA on the business development side and we have put a lot of resource over the past few years into improving our service. We have now got more than 14,000 auditors, as you said in about 120 countries, and our real challenge is providing them with excellent service. And that is one of the reasons why we have got six websites in different languages and we have got offices in different countries, such as Japan and Korea. As well as that we have worked hard on developing the value-add aspect of IRCA certification for our customers and recently we have included an online Knowledge Bank which has hundreds of case studies and guidance documents for auditors. Another thing we are concentrating on is product development based on industry needs. Over the past year or so we've introduced new certification products related to social responsibility, to IT, and a couple of months ago our new high-level Corporate Auditor product. I think that in my period here that reflects the growing recognition that management systems can contribute to a whole range of different risks and issues that are facing business and industry these days.

**Helen Stokes:**

Obviously a big part of your job is jet-setting off around the world to different locations, and I hear that you have just returned from visiting your partner organisations over in Korea and Japan. What has been your impression of the different auditing cultures that IRCA has engaged with?

**Vince Desmond:**

That's an interesting question. My job is about developing different relationships really, and because we have got customers all over the world that does mean a little bit of travel. And it is very interesting to operate in a variety of contexts culturally. Of course there are different approaches in different countries and I think you have to be flexible when it comes to everyday things like menus. But it is not so much the differences that strike me when I'm travelling around the world, it's the similarities. Most countries are facing very similar issues and challenges when it comes to developing the value and credibility of systems certification. Most countries are looking at ways to develop auditor

▶ **Question time:** Vincent Desmond

knowledge and auditor skills, but I suppose the most satisfying thing wherever I go is that the IRCA brand and our reputation is extremely high with our customers and stakeholders. And our role in this aspect of developing auditor competence through our auditor certification and training work is very well recognised with auditors, certification bodies, training organisations and industry bodies generally.

**Helen Stokes:**

So, Vince, in your opinion what do you think is the single biggest problem facing the international auditing community at the moment?

**Vince Desmond:**

Credibility. The majority of certification bodies do a great job, but there seems to be a minority that don't. And this, along with this trend for certification to be sold on price, rather than value, is affecting everyone in the industry in terms of credibility. It's interesting for us as an auditor certification body - it's often the auditor that's blamed for any problems within the industry, but I have to say that our position is that even competent auditors require the resources and support from their employers to deliver competent audit. I'm not sure that's always the case. So there is a responsibility I think, for credibility generally with auditing bodies and IRCA, but there is also a responsibility with the organisations that are buying these services, which are organisations who are certified to international management systems standards. And I think there is a responsibility on them that they need to be clear on what they want as they would with any supplier. And in choosing a certification body, if you choose your certification body based on price, then you are not going to get the same value that you would if you choose your certification body on the other important aspects of the certification service. Perhaps, I suppose, the most important piece in the puzzle is at the accreditation level. It is the accreditation bodies who are essentially policing certification bodies, and it is there that fundamental changes need to happen if the credibility of our industry is to be maintained.

**Helen Stokes:**

So, what can we do to look at solving these issues around credibility?

**Vince Desmond:**

Well, I have to say that the industry has recognised there's an issue and there are a number of initiatives in place to try to address the problem. I will give you a couple of examples: there is the ISO 9000 Advisory Group, which has brought together the ISO, IAF, CASCO, IPC, certification bodies and even industry end-users, and this group is putting together recommendations and guidance for certification body auditors and accreditation body auditors to contribute to generating a more consistent approach. So that is one response that I support, there is another response perhaps a little bit more contentious, and that's the development of the ISO 17021 standards; standards that certification bodies will be audited against by accreditation bodies. Part 2 is of interest to IRCA and auditors in general, as that's the one that will require certification bodies to deploy competent auditors and to deploy enough resources for competent audit to be carried out. And that means giving auditors and audit teams enough time to do a thorough audit, enough time and resource to prepare adequately, to report adequately

▶ **Question time:** Vincent Desmond

and to breathe between audits. Now, of course it's clear that all of this is going to cost money and everybody in the business is going to need to see increased value, including the certification bodies and ultimately the end-users who pay for this. And as I said before, there is a responsibility on the end users to be purchasing their certification services on a little bit more than price. I suppose that what may be lacking actually in all of this is a system for measuring the effectiveness of certification. We often use the number of certificates as a measure, but it is quite a blunt measure. Perhaps what we need is a measure of how end users and stakeholders view systems certification. We know that the automotive industry has felt the need to take matters into its own hands. My interaction with the food industry indicates that it's wary of recognising ISO 22000 certificates within their global supply chains. So, I think a measure where we can see positive support from industry in certification would be key.

**Helen Stokes:**

But what have been the success stories?

**Vince Desmond:**

Well with the caveat of what I have just said, ISO 9001 certificates have now exceeded 1 million and ISO 14000 is growing well. The key, I think, is that the global market needs standards and conformity to operate efficiently and effectively, and to bring down barriers and things like that. So, I do see a bright future for accredited certification if we can get our act together.

**Helen Stokes:**

So, obviously there will be some changes in the next few years. How would you see the role of an auditor developing over the next ten to fifteen years to meet these changes?

**Vince Desmond:**

Well that's a million dollar question. I think the role of the management systems auditor is already developing. Today, the assessment of management systems requires an auditor to do much more than simply check compliance. Increasingly, auditors need to fully understand a business and be able to provide that analysis and feedback to top management on the design and effectiveness of their system. Fundamentally, is there system meeting the aims and objectives of the business. And this evolution is increasingly requiring auditors to obtain additional competences: they need to understand business management; they need to understand how the business system interacts with other systems; they need to be able to communicate and present credibly to senior management; they need to be able to frame their audit findings in the context of risk posed to business and in a language that senior management can comprehend. Many businesses are developing systems in parallel, or combined systems, to bring in environmental health as well as quality, so auditors are needing to expand their technical knowledge and audit-management capabilities. So, I think in less than fifteen years time I see a time where systems auditing and the auditor will point much more upwards towards senior management, towards governance, towards the stakeholder requirements of organisations. That's really where I see the value.