

Five internal auditing tips for a successful 3rd party audit

Executive summary

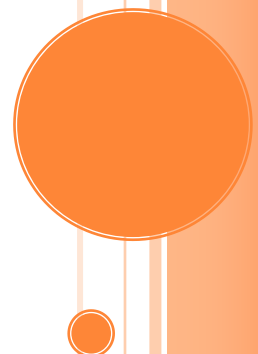
Many organizations are under third-party or quality management (QMS) programs and keeping in compliance with these programs can be a real challenge. However the process that can help an organization keep up and do well with these programs is the internal auditing function.

Having an effective internal auditing program can pay off in an organization getting, in addition to increased customer satisfaction.

- Better audit results, due to more comprehensive evaluation of company performance
- Can also help the organization work more closely within quality (QMS) standards. Getting the benefit from the program.
- Helps an organization generate positive return on investment with these programs.

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FIVE INTERNAL AUDITING TIPS FOR A SUCCESSFUL 3RD PARTY AUDIT

1 UNDERSTAND THE PRINCIPLES BEHIND INTERNAL AUDITING

ISO definition of auditing from (ISO 19011)

“a systematic, independent and documented process for obtaining audit evidence (records, statements of facts...) and evaluating it objectively to determine the extent to which the audit criteria are fulfilled”

There are basically three types of audits:

- Third party, a independent auditor that audits for compliance to a standard
- Second party, a customer that audits a facility for compliance to the customers standards
- Internal audits, a company audits themselves for compliance to their QM system

Internal audits are important because they check to see if your quality management system is functioning properly. It's kind of like a diagnostic check to measure compliance or noncompliance. Done in a systematic way that evaluates every detail of what is done vs. the audit standard. If your organization is trying to get certified, this can be one of the best first steps that you can do after your initial planning is done. If your business is trying to keep certification, covering an audit. Internal auditing can help your company score better on that audit.

It is an all-important check to see if what you're doing matches the standards you are under.

Compares with what the standard says you should be doing. To see how your system is operating. Internal auditing itself is a trained and practiced skill. A person needs to have training. But will still be developing that skill over time. I look at it as a skill of comparison. To highlight what sections an organization is lacking to vs. the program standard. Also to know the parts of the standard where your programs and processes are fully compliant.

Can help with problem solving

Internal audit programs can also help to give knowledge of potential problems in your processes. Also give insight for solutions to solve problems that your organization is currently facing.

Because you're examining how you're doing work and processes in real time. Internal auditing can show you areas for improvement and assist in solving problems.

Important to note...that internal auditors should not audit their personnel work. Internal auditors need to audit independently of the work that is being done. So when you put together your audit team. You want to keep that in mind that you want people who are internal Auditors to audit, areas they don't work in.

2 TRAIN YOUR INTERNAL AUDITORS ON A ON-GOING BASIS

Internal Auditing is a trained and practiced skill

You want to have a training program for your internal auditors. First step is initial training which can be done individually or through formal training programs.

Initial training can be done one on one with the quality manager, to give the new auditor an overview on internal auditing. But to save time an outside trainer can be an excellent option.

Internal auditing is a skill that needs to be practiced. Because a successful internal auditing program, requires audits to be done on an ongoing basis. There is opportunity for auditors to practice and develop those skills.

Show internal auditors how to prepare for an audit

It is important that you show your internal auditors how to put together, an audit pack for each auditor and audit area. With the purpose they will be able to perform this themselves. Below is an outline of how you might do this.

- Have a folder with the auditor name on it.
- A master list of documents to show your auditors how to find the documents for the department/area of your system that they will be auditing.
- Or print out the documents for them with a master list that they can compare for completeness.
- A check sheet where you have the standards they are auditing to. With spaces for notes next to the listed standards.

My suggestion is that internal auditor be scheduled to inspect the same department/process for two or three audits. So that they get practice and get familiar with the standard and how it applies to that part of the business

3 HAVE AN AUDIT PLAN

A systematic audit plan, of all areas covered by your 3rd party audit standard is essential.

Without a systematic plan you run the risk missing auditing some clauses. Even critical ones can be overlooked unless you have a detailed plan.

Checklists covering quality management system clauses

Checklists are of such importance and cannot be underestimated as a tool. After all that's what the pilot of an airline uses to make sure all systems are a go.

Having a checklist of all clauses of your quality management program insures nothing is missed.

(Example checklist)

CLAUSE	REQUIREMENTS	COMPLAINEE
1.1.1	The site shall have a documented policy which states the site's intention to meet its obligation to produce safe and legal products to the specified quality and its responsibility to its customers. This shall be: • signed by the person with overall responsibility for the site • communicated to all staff.	

A missed item that could have been corrected, if it was internally audited. Can cost you points and maybe even cause you to fail the audit. If it is critical according to your standard.

Put together a yearly schedule of the audit sections you need to cover.

According to the BRC standards, *“The scope and frequency of the audits shall be established in relation to risks associated with the activity”*

A good method for annual planning is on an Excel sheet. List all the audit standards vertically. Then evaluate the risk of each. Higher risk items can be parts of the standard that affect product safety. Also vendor management can be a higher risk. The higher risk items should be audited more frequently, with lower risk once or twice a year.

This will help you to manage your 3rd party audit preparation properly. Because the high-risk items like supplier-raw material management, are much more demanding. Many companies may have hundreds, to thousands of suppliers to evaluate.

You want to do a risk analysis to determine which standard clauses have the greatest risk. For example in a food manufacturing company management processes would be at a much lower risk. Than your actual food safety programs.

Example Excel sheet (showing high/medium risk items)

High Risk - Every 3 months
Medium Risk - Two times a year Audit
Low Risk - Once a year Audit

3.1 Quality Management System
3.2 Document Control
3.5 Supplier Approval and Monitoring
3.6 Specifications

Review your plan in an ongoing basis to make sure you're on track

Schedule audits frequently to allow for maximum preparation for third-party audits

In your audit plan, you want to schedule on a frequent (upfront) basis preparation for third party or other important audits. Very critical to do your planning early, to have more time to prepare.

4 CONSTRUCT A DOCUMENT TREE WITH A MASTER DOCUMENT LIST

Having a master document list assists your internal audits because you'll be able to keep control of your documents and organize them. Each document should have control numbers and ideally a header with your company name. Also a footer that will list the title of the document, the day created and revision number.

With any documents you will have revisions. You also need master list of revisions and a brief reason why revised with updated revision number. This helps in that.

- You have a record of the reasons why you changed the document.
- Helps you to put together a system that has older documents replaced, so the current one is used.
- Gives you a system to check that updates occurred in the master document list.

Document tree

A document tree ties your documents on the master document list, to your quality management standard. Shows the relationship of documents and part of the standard they cover. It can also show documents from upper level policy documents to lower level work documents such as logs.

For example: Supplier Approval and Monitoring

3.6 Supplier Approval and Monitoring

ASL.21 Approved Supplier List

FS.1 Supplier Questionnaire

FS.2 Supplier Evaluation Form

R 9 Service Supplier Risk Assessment

R 10 Supplier Risk Assessment

R 12 Packaging Supplier Risk Assessment

R 14 Risk Assessment Reviews RAM.14

FS3F Receiving Log

GMPPF.13 Packaging Inventory

Shows the upper level documents down to the work forms

5 FOLLOW UP ON CORRECTIVE ACTIONS

The key to successful internal auditing is discovering gaps where the standard is not being met. It is simply, comparing what you are doing with what the standard requires. When you find a gap you need to record it and conduct corrective action.

Keep written records of corrective actions

You should keep records of internal actions taken, to correct the gap or defect. Sign off and review all corrective actions. The corrective actions should also be under upper management review.

Case study Hillside Foods

Challenge

According to Alex Martinez, President, Hillside Foods was “**struggling to maintain their third-party audit programs**”. On some audits they didn't do as well as they thought. Because they were missing compliance with items that were listed in the ISO standard they were under. It had become a critical issue for us **because the third-party audits results very important for customer confidence with our business.**

Strategy

The strategy, was to find the gaps of how we are running not only our manufacturing processes. But in everything we do as a business, from purchasing, training, and shipping. Evaluate what we are doing to the listed standards of the quality management programs we're under.

Because the standards in and of themselves are **rather complicated to an adhoc program**. We felt our staff needed to understand better what internal auditing is and how to put together effective checklists. So we had our **quality team enroll in the QMS internal auditing training program**. This was done online so there was no need to travel, at a very affordable cost to the company.

Results

The training helped our quality team **comprehend ISO standards and internal auditing principles**. It eliminated confusion with understanding ISO standards, with all the numbers and clauses. Helped us develop a comprehensive checklist.

Our internal auditors were able to have an effective system. They could check each clause with their own observations and documentation. Through their investigations found a lot of **discrepancies, that I am certain a 3rd party auditor would find.**

With corrective actions systems, they were able to find **solutions to the discrepancies** and insure compliance. As a result over the last couple years our audit score has been very high giving our customers increasing confidence in our company.

We have gotten positive payback and ROI on our quality programs. Because they are performing as they are designed, to help our business run better. It has helped us deliver consistent quality to our existing customers. This effective system has helped our business grow.

To find out more about QMT systems and how we can help improve your third-party audits [click here](#)

Sincerely,

Tim Smith

Training Director

QMS systems

About QMS systems

"Quality management system training that gives your business a high return on its investment."

We offer solutions to the problem of having quality programs implemented and understood by your staff. To get these programs established for your company. To leverage improvements, generate more potential business and positive rate of return for your investment.

We were a leading company in offering on demand internet training, to give more flexibility to our customers in meeting their training needs. In addition to offering Quality Systems training at your work site.

We develop training programs that are step by step, very clearly written and easy to use. That are useful to people who are totally new, to quality management programs. And helpful to seasoned professionals, for additional ideas and refresher training.

QMS or Quality Management Systems has been conducting quality training programs since 1997. Our training programs including our internal auditor training has been used with over 100 companies of all industry types. Including General Mills, IBM, Sara Lee and Tyson.

[Click here to see our course catalog.](#)

If you have any questions our phone counselors can help from 9-6 CST time

Visit our Website at: www.QMS.com

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