How a CB can Add Value during Audit Process?

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• There are many ways to add value!
• Presenting one way based on public resources (gathered together) and successfully shared with a few CB's during their annual training sessions and at IAAR
• Presented to ANAB assessors in Jan 2017 and Jan 2018 to consider
VALUE

• What the CB has to set them apart from another CB
  • Some CBs have mastered, some have not

• Becoming increasingly important as customers become smarter and more demanding
FOCUS

• When conducting a witness audit the evaluation considers 3 main criteria points.
  • Knowledge of the standard.
  • Knowledge of the industry.
  • Knowledge of the auditing process.

• This discussion is around the auditing process with emphasis on what a value added audit should look like.
ISO 9001 Auditing Practices Group Guidance on:
“How to add value during the audit process”
13 January 2016

www.iaf.nu; or
www.iso.org/tc176/ISO9001AuditingPracticesGroup
Output thru Value

In order to add value, a third party audit should;

To the certified client

• Provide useful information to top management
• Identify problems, when resolved, will enhance performance
• ID improvement opportunities and areas of risk
Output thru Value

To the organization’s customers, by enhancing the organization’s ability to provide conforming product, sustainable activities, and/or other base standard objectives.

To the CB, by improving the credibility of the third party certification process.
Maturity Zones

Maturity of QMS

“Non-conforming” “Conforming”

Zone 1 Zone 2

Zone 3 Zone 4

Maturity of “Quality culture”

Low High
Terminology

- Management Culture –
  - degree of awareness
  - commitment
  - collective attitude and behavior of the organization with regard to quality or Base standard objectives

- Conformity to Management Systems–
  - maturity of organization’s MS
  - Extent to which it meet the requirements of the MS

- Conformance versus effectiveness
Zone 1: (Low maturity of “management system culture”; immature MS, not conforming to ISO base standard)

- Low Maturity of “Quality culture”
- Zone 1: Non-conforming MS (not conforming to ISO base standard)
• Organization may view value added as “how to” answers to implement or respond to nonconformity

• “how to” would be considered advice and a conflict of interest for an auditor
What an auditor can do:

• ensure that whenever non-conformities are encountered, the auditee has a clear understanding of what the standard requires, and why the non-conformity is being raised.

• If the organization can recognize that resolving these nonconformities, will lead to improved performance, then it is more likely to believe in and commit to the certification process.

• It is important, however, that all identified non-conformities are reported, so that the organization clearly understands what needs to be done in order to meet the requirements of ISO Base standard.
Zone 2: Mature “management system culture”; immature MS, not conforming to the MS
Zone 2

- Organization’s expectations similar to Zone 1; however, may be much higher for value added.
Zone 2

- Auditor has to understand the way in which the organization’s existing practices meet the requirements of ISO standard/scheme.
- Do not insist that the organization redefine its processes and documentation to align to the clause structure of the standard/scheme.
- Auditor should, at a minimum, be aware of the organization’s methodologies, and be able to see to what extent they are effective in meeting the requirements of ISO standard/scheme for that particular organization.
• It is also important that the auditor not be “intimidated” by the organization’s apparent high degree of sophistication.
• While the organization may be using these tools as part of an overall management philosophy, there might still be gaps in the way the tools are being employed.
• Therefore, the auditor must be able to identify any systematic problems and raise the appropriate non-conformities.
• In these situations, the auditor might be accused of being pedantic or even bureaucratic, so it is important to be able to demonstrate the relevance of the non-conformities that are being raised.
Zone 3: Low maturity of “management system culture”; mature MS, conforming to the MS
Zone 3

• An organization that has been certified to one of the MS standards for a significant period of time might be able to demonstrate a high level of conformity to the MS, but at the same time not have truly implemented a “MS culture” throughout the organization.
Typically, the MS might have been implemented under pressure from customers, and built around the requirements of the standard, rather than on the organization’s own needs and expectations.

As a result, the MS, may be operating in parallel with the way the organization carries out its routine operations, generating redundancy and inefficiency.
Zone 3

• Primary objective of the auditor should be to act as a catalyst for the organization to build on its Standard-based management system, and to integrate the system into its day-to-day operations.

• While the third party certification auditor cannot provide recommendations on how to meet the requirements of MS, it is acceptable and indeed good practice to **encourage** and **stimulate** (but not **require**) the organization to go **beyond** the requirements of the standard.
Zone 3

• The questions the auditor asks (and the way he or she asks those questions) can provide valuable insights for the organization into how the MS could become more efficient and useful.

• Identification of “Opportunities for Improvement” by the auditor should include ways in which the effectiveness of the MS might be enhanced, but could also address opportunities for improved efficiency.
Zone 4: Mature “management system culture”; mature MS, conforming to the MS
Zone 4

• For an organization that has a mature “MS culture”, and has been certified to one of the MS standards for a significant period of time, the expectation of how an audit might add value will be the most challenging for an auditor.

• A common complaint among this kind of organization is that the “routine surveillance visits” by the auditor may be superfluous, and do little to add value in the organization’s eyes.
Zone 4

• Top management becomes an important customer of the certification process
• It is therefore important for the auditor to have a clear understanding of the organization’s strategic objectives, and to be able to put the MS audit within that context.
• The auditor needs to dedicate time for detailed discussions with top management, to define their expectations for the MS, and to incorporate these expectations into the audit criteria.
Discussion of Adding Value

- Audit Planning
- Audit Technique
- Analysis and Decision
Audit Planning

• Understand the auditee’s expectations/corporate culture
• Any specific concerns to be addressed (output from previous audits)?
• Risk analysis of industry sector / specific to organization.
• Pre-evaluation of statutory/regulatory requirements
• Appropriate assessment team selection to achieve assessment objectives
• Adequate time allocation
Audit Technique

• Focus more on the process, and less on procedures.
• *Some* documented procedures, work instructions, check-lists etc. may be necessary in order for the organization to plan and control its processes.
• Driving Force should be process performance
Audit Techniques

• Focus more on results and less on records.

In a similar fashion, some records may be necessary in order for the organization to provide objective evidence that its processes are effective (generating the planned results) but in order to add value, the auditor should be aware of and give credit for other forms of evidence.
Audit Techniques

• Remember the 7 Quality Management Principles for QMS assessments and EMS principles.

• Use the “Plan-Do-Check-Act” approach to evaluate the organization’s process effectiveness.
Audit Techniques

- Has the process been planned?
- Is it being carried out according to plan?
- Are the planned results being achieved?
- Are opportunities for improvement being identified and implemented?
  - By correcting non-conformities
  - By identifying root causes of problems and implementing corrective action
  - By identifying trends, and the need for preventive action
  - By innovation
Audit Technique

• Adopt a “holistic” approach to evidence gathering throughout the audit, instead of focusing on individual clauses of the standard being assessed
Analysis and Decision

- Put the findings into perspective (Risk assessment / “common sense”).
- Relate findings to the effect on the organization’s ability to provide conforming product and/or achieving objectives/continual improvement for other MS standards.
- Analysis of Process KPI’s.
Summary

• The main objective of adding value via the audit process is to provide confidence that the output (expected outcomes) of the 3rd party certification process provides tangible benefits to the interested parties.
Discussion

• What do you think?

• Other ways CBs can add value?
• Emphas is....... its not business as usual..... our very survival is riding on interested parties perceiving value in the process.