Internal Audit Guidance

Integrated Internal Audit Checklist

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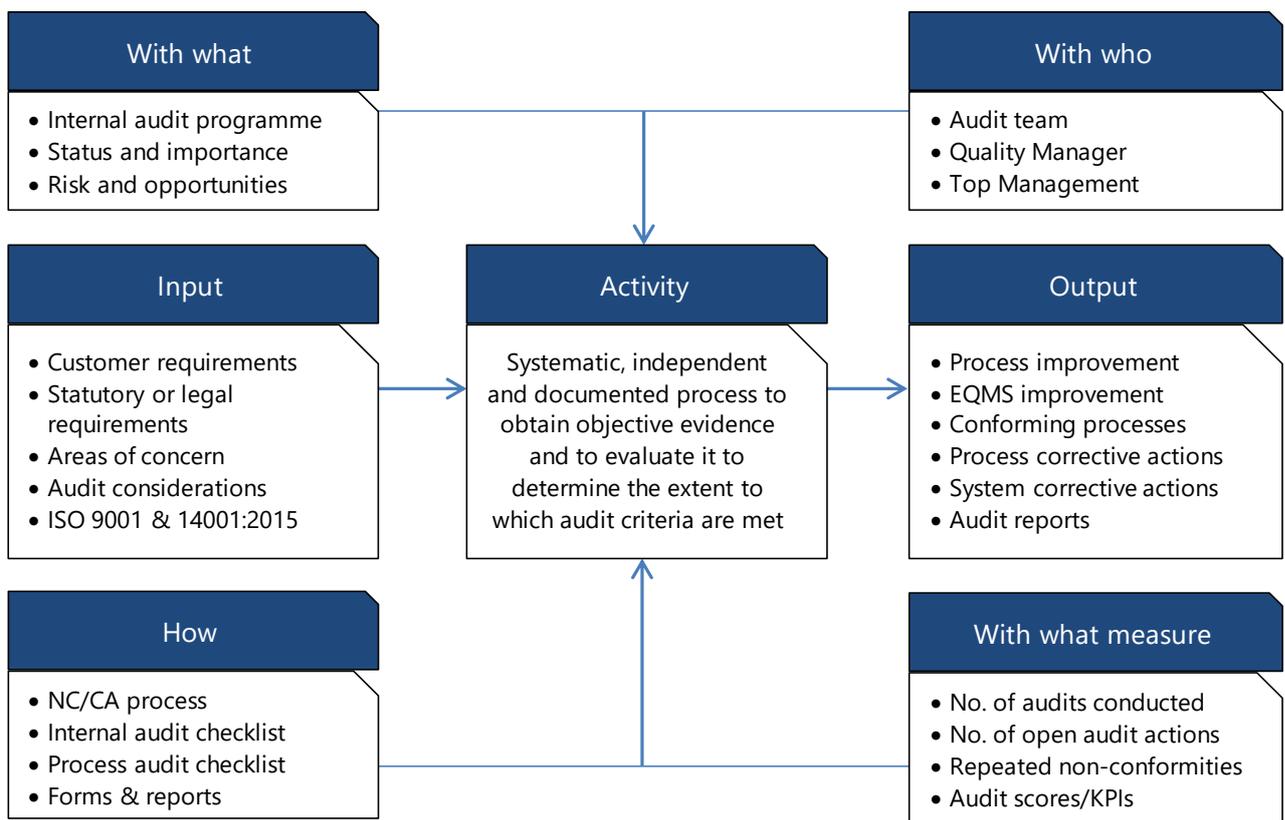
1 Internal Audit Guidance

1.1 Introduction & Purpose

The audit checklist is just one of the many tools which are available from the auditor's toolbox that help ensure your audits address the necessary requirements. It stands as a reference point before, during and after the audit process and if developed for a specific audit and used correctly will provide the following benefits:

1. Ensures the audit is conducted systematically;
2. Promotes audit planning;
3. Actively supports your organization's internal audit process;
4. Provides a repository for notes collected during the audit;
5. Ensures uniformity in the performance of different auditors;
6. Provides reference to objective evidence.

1.1.1 Process Activity Map

With what		With who
• Internal audit programme • Status and importance • Risk and opportunities		• Audit team • Quality Manager • Top Management

Input	Activity	Output
• Customer requirements • Statutory or legal requirements • Areas of concern • Audit considerations • ISO 9001 & 14001:2015	Systematic, independent and documented process to obtain objective evidence and to evaluate it to determine the extent to which audit criteria are met	• Process improvement • EQMS improvement • Conforming processes • Process corrective actions • System corrective actions • Audit reports

How		With what measure
• NC/CA process • Internal audit checklist • Process audit checklist • Forms & reports		• No. of audits conducted • No. of open audit actions • Repeated non-conformities • Audit scores/KPIs

1.1.2 References

Standard	Title	Description
BS EN ISO 9000:2015	Quality management systems	Fundamentals and vocabulary
BS EN ISO 9004:2000	Quality management systems	Guidelines for performance improvements
BS EN ISO 14004:2016	Environmental management systems	Guidelines for implementation
BS OHSAS 18002:2008	Guidance specification	Guidelines for implementation
BS EN ISO 19011:2011	Auditing management systems	Guidelines for auditing

1.2 About the Integrated Audit Checklist

The integrated internal audit checklist comprises tables of the certifiable ('shall') requirements, from Section 4.0 to Section 10.0 of ISO 9001:2015 and ISO 14001:2015. Each requirement is phrased as a question. The audit checklist can be used for implementation audits and compliance audits. If you wish to create separate process audit checklists, select the clauses from the checklist that are relevant to the process and 'copy and paste' the audit questions into a new audit checklist. We suggest that you retain the original internal audit checklist as your 'master copy'.

1.2.1 Audit Scoring Criteria

A risk-based approach to auditing allows the internal audit to concentrate on reviewing the major risks to your organization. The audit's role is to provide assurance that key risks to your organization's objectives are being well controlled.

The audit findings 'traffic lights' are intended to visually communicate the risk posed by the audit finding of any system or processes being audited. The rating system is stratified from 'compliant' to 'major non-conformance' to convey a concise and consistent method for scoring each audit finding. At the end of the audit, you can transfer the findings into an Excel spreadsheet to create charts, summary tables and trend data to paste into your audit report or management review documentation. This methodology should be uniformly applied to all types of internal audit (gap analysis, system audits and process audits) that your organization will likely undertake.

Finding	Definition/Impact	Action/Mitigation
Compliant	Compliant means adherence with the requirements of the standard and the EQMS. The process is implemented and documented and records exist to verify this.	Continue to monitor trends and indicators.
OFI	A **low risk issue** that offers an opportunity to improve current practice. Processes may cumbersome or overly complex but meet their targets and objectives. Unresolved OFIs may degrade over time to become non-compliant.	Review and implement actions to improve the process(es). Monitor trends and indicators to determine if improvement was achieved.
Minor Non-conformity	A medium risk, minor non-conformance resulting in deviation from process practice not likely to result in the failure of the management system or process that will **not** result in the delivery of non-conforming products nor reduce the effectiveness of the EQMS.	Investigate root cause(s) and implement corrective action by next reporting period or next scheduled audit.
Major Non-conformity	A high risk, major non-conformance which **directly impacts** upon customer requirements, **likely** to result in the customer receiving non-conforming products or services, or which may reduce the effectiveness of the EQMS.	Implement immediate containment action, investigate root cause(s) and apply corrective action. Re-audit in 4 weeks to verify correction.

1.2.2 Principles of Auditing

Auditing relies on a number of principles whose intent is to make the audit become an effective and reliable tool that supports your company's management policies and procedures whilst providing suitable objective information that your company can act upon to continually improve its performance.

Adherence to the following principles are considered to be a prerequisite for ensuring that the conclusions derived from the audit are accurate, objective and sufficient. It also allows auditors working independently from one another to reach similar conclusions when auditing in similar circumstances. The following principles relate to the conduct of internal auditors;

1. Ethical conduct; trust, integrity, confidentiality and discretion are essential to auditing;
2. Fair presentation; audit findings, conclusions and reports accurately reflect the audit activities;
3. Professional care; auditors exercise care in accordance with the importance of the task they perform;
4. Independence; auditors must be independent of the activity being audited and be objective;
5. Evidence-based approach; evidence must be verifiable and based on samples of information.

1.3   Audit Methodology

The adoption of the 'process approach' is mandated by ISO 9001:2015 and is one of the most important concepts relating to EQMS. Process auditing is about auditing your organization's processes and their interactions, which together comprise the EQMS. The process approach is one of the core quality management principles, which is defined as a 'consistent and predictable results are achieved more effectively and efficiently when activities are understood and managed as interrelated processes that function as a coherent system'.

The process audit provides assurance that the processes have been implemented as planned and provides information on the ability of the process to produce a conforming output. Done properly, a process audit is much more than verification that processes are being followed. Although preparation can take a day or two, actual audit time is about two hours per shift.

A process is a set of interrelated activities that transform inputs, such as materials, customer requirements and labour, via a series of activities into outputs, such as a finished product or service. Various stages of the process must meet various applicable clauses of the standard. There are six characteristics to look out for when auditing a process:

1. Does the process have an owner?
2. Is the process defined and documented?
3. Are links between other processes established?
4. Are processes and their links monitored?
5. Are records maintained?

As part of the process approach, the process audits must be scheduled according to the processes defined by your management system. The audit schedule should not be based on the clauses of the standard, but it should instead be based upon the importance and criticality of the process itself. The process approach to auditing should cover three vital stages:

1. Preparing for the audit; (desk review)
2. Auditing the process and its linkages;
3. Preparing the summary and audit report.

An audit of customer related processes should be conducted at planned intervals in order to determine whether the processes conform to planned arrangements in order to determine whether the process is properly implemented and maintained and to provide process performance information to top management.

Effective process auditing requires the auditor to identify and record audit trails that will make a difference to your organization. The audit should begin with the process owner in order to understand how the process interacts with the other process inputs, outputs, suppliers and/or customers. The auditor should be able to determine whether the outputs are complete and that process measurements demonstrate whether all of the