

Quality Auditor Review

July-Sept. 1998

Volume 2 Issue 3

Checking Mature Systems

Audit Thinking By: J.P. Russell

More and more auditors are asking what's next for both internal and supplier audits. Last year, the QAR contained an article called *Audit Doldrums* to provide some ideas on how to get around robot audits (asking the same questions and getting the same answers every time) by changing your audit method or path. In addition, not all elements of a quality system are of equal importance.

Powerful elements to audit are corrective/ preventive action, the effectiveness of the audit program, management review, track record for implementation of new products and services, effectiveness of management change control, monitoring supplier performance, strategic quality planning, and effectiveness of corrective actions. Look for metrics and analyses of results compared to the plan or expectations. Ask "What's New" and then test out the new areas to provide feedback to the auditee organization.

Audit (conduct a gap analysis) to higher level performance standards to provide feedback to the audit customer. Perhaps, on the next audit use the Quality Management Benchmark Assessment checklist (the QMBA is available from ASQ Quality Press). The QMBA combines audit criteria from ISO 9004, Malcolm Baldrige, and ISO 9001. Another higher level standard would be the QS 9000 being used in the automotive industry.

Add a test for relevance and value. Are organiza-

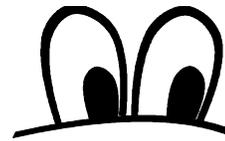
tion's methods and procedures relevant and do they add value? Don't accept things just because it has always been done that way.

Also the training of the auditors should be advanced to better understand quality principles and business/ management concepts. There should be more training to improve the effectiveness of the audit reports. Conduct a product/ service audit of the audit reports.

And finally, reward functions/ areas/ organizations for maintaining their quality system by reducing compliance audit time or frequency of au-

Powerful elements to audit are...

Quality
College
Grad



From the News Desk

Stretch your imagination, test your wits and knowledge, get your creative juices flowing, or just have fun by reading *Puzzling Quality Puzzles* just released from Quality Press at 800.248.1946 (book number H0993). The quality focused puzzles can be used for your own enjoyment or as a training tool. The book authors are JP and Jan Russell.

The ASQ Quality Audit Division will be holding the 8th Annual Quality Audit Division Conference in Houston Texas on March 11-12, 1999. The conference theme is Forging Trails to New Frontiers. Call ASQ (800.248.1946) to register.

Earn CEUs by signing up for the QAR Home Study Program. For a small fee and passing a quiz you can earn up to .25 CEUs per QAR issue. J.P. Russell & Assoc. is an Authorized IACET CEU Sponsor. Call 850.916.9496 for more information.

inside...

The Audit Guy: Audit or Survey - Is there a difference? page 2

Quality Audit Primer: Audit Team Assignments page 3

Field Reports: The Good, The Bad, The Ugly page 4

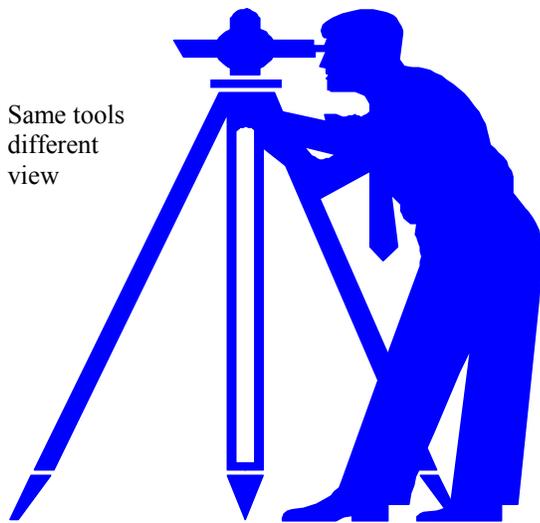
Quality CrossWord page 4

The Audit Guy Dennis Arter

Audit or Survey - Is there a difference?

Well, yes, dear readers. There is a difference. One of the controls associated with purchasing is to check out possible suppliers to see if they can give you what you want. You can do this in a number of different ways. You can review their catalogs. You can talk to others who have used

In order to perform a survey of a potential supplier, you must have at least a clue of what you want.



their services. You can ask them to fill out a questionnaire. Or, you can actually go visit the potential supplier. This last method is commonly called a “survey.”

A *survey* is performed before the purchase order is signed. An *audit* is performed after the customer-supplier relationship has been formed and you are into the monitoring phase of this relationship.

In order to perform a survey of a potential supplier, you must have at least a clue of what you want. To go out on the road and check out possibilities before the general parameters are defined is a waste of your time. It also tends to anger your potential suppliers. This is not a good way to build trust.

“But wait,” you say. “They are not making any of my stuff. I have nothing to examine.” To address this concern, you need to look at goods and services that are being provided to someone else.

Of course, you want that other party to be receiving something similar to what you need. In a way, you have to speculate and come to the best conclusion you can, given the data. “Based on what I see today, do I have confidence in their ability to serve our needs?”

Because you are making (or recommending) a purchasing decision, scores can be useful for comparing similar suppliers. However, you should keep any scoring simple. Remember, they don’t have your business yet and all you can examine are the non-proprietary aspects of system controls. (You probably will not get down to the process or work instruction level.) A one-to-five scale is common.

After the contract is signed, you are into the maintenance phase of the customer-supplier relationship. This is where we see the power of well-planned and thorough audits. To distinguish these supplier audits from the audits you perform internally, we commonly call them “external” or “second-party” audits. They are performed on actual work being performed to your specifications.

The difference between *audit* and *survey* is actually quite minor. Both are performed using the same basic steps. The *audit* is performed on your stuff, using your requirements. The *survey* is performed on somebody else’s stuff, using their requirements. *Audits* are after the contract and *surveys* are before.



Dennis Arter is the newsletter feature writer and author of the best selling book Quality Audits for Improved Performance.

Dennis has been an independent quality assurance consultant since 1984. His primary service is instruction in the field of management auditing for a wide variety of clients, including government, manufacturing, energy, research, aerospace, and food processing. He is an ASQ Fellow and active in the Quality Audit Division. His home page is at <http://home.earthlink.net/~auditguy/> or he may be reached

Quality Audit Primer

Auditing tips and reminders



Audit Preparation:

Audit Team Assignments

It is the Lead auditor's responsibility to make assignments to auditors on the audit team. The lead auditor may or may not participate in the selection of the audit team members. In some companies, teams are pre-established and the lead auditor or team leader responsibility simply rotates from one team member to another. Given an audit team, it is up to the lead auditor to determine if there are not sufficient resources or auditors with the proper skills and background to conduct the audit. In other cases, the selection of auditors is more formal to ensure the audit team composition will result in the most effective audit. In either case the lead auditor must feel comfortable that the audit purpose and scope can be accomplished in the time allowed.

The lead auditor may be selected based on experience and proven management capabilities for leading a team. The lead auditor is responsible for meeting the audit objectives and the conduct of the other audit team members during the audit.

Many of the attributes considered in the selection auditors may be used for making individual auditor assignments. The assignments are heavily influenced by the background and training of the auditors as compared to the audit needs.

Such things as:

- amount and type of audit experience,
- amount and type of work experience,
- client needs such as expediting product line feedback,
- audit program needs such as training new auditors,
- auditee/ management needs such as special programs, testing new areas, identification of opportunities, and
- feedback from prior audits,



are all important considerations when making auditor assignments.

The lead auditor also needs to identify special audit complexities or challenges that will require more time or special knowledge or skills. Such as number of lines or areas that must be examined to ensure a representative sample is taken, and special knowledge areas such as metrology, project planning, or use of statistical tools. The enclosed worksheet could be used by the lead auditor to evaluate the team strengths and weaknesses to better utilize the team members.

Some organizations use a matrix to match auditors with the controls to be tested by function. The matrix is used to ensure that all quality system elements are thoroughly tested (sampled) throughout the organization. Such a matrix would be helpful for a system wide audit or as an aid for developing an annual quality audit schedule. See the enclosed matrix that aligns the ISO 9001 controls with organizational functions. It would be a simple matter for you to identify your organization functions and to identify where the quality system control fit.

Instead of thinking "how can we complete the audit and put it behind us", think "how can we best organize to provide the most value to our customers." Try using the enclosed auditor assignment worksheet when planning the next audit to optimize resource utilization.

To make audits more powerful and add value, auditors with special knowledge or skills should be identified. Perhaps an auditors knowledge or skills from a prior job or employer may fit a particular need of the auditee organization.

Overall, considerably more effort should go into tailoring and forming the audit team to match customer needs (client, auditee, audit boss, and company).

The lead auditor needs to identify special audit complexities.

Field Reports: *The Good.. The Bad.. The Ugly..*

Not My Nonconformance

By J.P. Russell

During one of the first quality (management) system audits, the department manager exclaimed “Not my nonconformance. I can’t control that, it should be issued against another department.” I was thinking, success at last. Not success for the audit team finding a nonconformity (finding) but that the team found a process/ system issue that cut across department boundaries and was important to management (there were economic considerations).

To find this cross cutting issue, the audit team went to the where the on-hold stuff was located. The team counted the stuff, sorted the stuff by date, and sorted it again by paper work hold versus non-paper work hold. It turns out that 72% of the items were on-hold due to paper work and not due to the stuff being incorrect or out of specification. One item had been in the hold area for 6 months waiting for approval from an engineer that had transferred to another project.

The audit team also found weakness with the de-



ployment of management system changes. A new supplier qualification system promised to save a considerable amount of money in reduced inspection. Suppliers were being qualified but there was no time to change the computer system that would alert inspectors not to do the extra inspections and tests.

The manager of the audited area did not want any findings, but could see the importance of the different departments working together for the good of the company. The audit function was finally getting beyond the paper work issues and on to performance issues.



J.P Russell is an ASQ CQA, RAB QA LA, consultant and publisher of the Quality Auditor Review.

Send stories you would like to share, comments or suggestions to our PO Box or the e-mail address.

Quality CrossWord

Across

- 5. Business or company
- 7. Gilligan’s home
- 8. Precedes apple to keep the Dr. away

Down

- 1. Mules, oxen or group of auditors
- 2. What to just say
- 3. ___ upper and lower control limits
- 4. Used with vowels
- 6. Auditors tell it like it ___ .

Solve the CrossWord and discover the quality quote by Colin Morgan and Steven Murgatroyd.

used more than

Ans: No team is an island within an organization.

