Management Systems Auditing

BSBAUD402 Participate in a Quality Audit
BSBAUD504 Report on a Quality Audit

Presented by Geoff Gray

- Cert IV in Training & Assessment
- Registered Lead Auditor (IRCA)
- Fellow Australian Institute of Company Directors

Gray Management Systems is a Registered Training Organisation (3839).

A nationally recognised Statement of Attainment will be issued upon successful completion of the training course.

GRAY MANAGEMENT SYSTEMS

03 9876 5152
www.grayms.com.au

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COURSE OBJECTIVES

By the end of the course, participants should have gained:

A clear understanding of the requirements of Management System Standards / Guidelines for Internal Auditors

Familiarity with system terms and definitions

Knowledge of ISO 19011 and its application

Communication skills for use in Internal Audit situations

Skills in preparing checklists for Internal Audit purposes

Practical experience in how to perform an Internal Audit

Competence to report on an audit

Confidence in being able to perform Internal Audits in their work environment

COURSE OUTCOMES

This course is designed to provide the necessary competencies for those who wish to perform internal audits on management systems within their own workplace for and on behalf of their employer.

This course covers the following nationally recognised units of competency:

BSBAUD411 Participate in Quality Audits
BSBAUD513 Report on Quality Audits

Successful completion will result in the awarding of a Statement of Attainment.

The course covers the generic knowledge and skills required for all management system auditing described in ISO 19011. This is a guideline document for any person involved in auditing quality management systems.

ARTICULATION AND CREDIT TRANSFER

This course articulates with the following courses:

BSB51615 Diploma of Quality Auditing
BSB01 Business Services Training Package

INTRODUCTION TO AUDITING

Most businesses these days must conform to an array of external regulations for financial, commercial, legal and taxation reporting requirements, just to name a few.

As companies are trying to become more efficient regarding the use of resources, more reliance is being placed on "systems" to provide that extra assistance.

One of the most popular systems being used these days is a Management System based on the internationally recognised ISO 9001 Quality Management System Standard. This Standard is non-prescriptive and does not dictate what a company should do but rather outlines the areas of the business that must come under some formal control.

Within this Standard there is a requirement that companies must internally audit their documented systems to ensure its continuing suitability and effectiveness.

Based on the structure and popularity of the ISO 9001 Standard, other Standards & Guidelines have been developed for:

Environmental Management Systems (ISO 14001)
Testing & Calibration Laboratories (ISO 17025)
Occupational Health and Safety Systems (ISO 45001)
Environmental Management Systems (ISO 14001)
Food Safety Management Systems (ISO 22000)

All these Standards have a similar internal audit requirement.

The following section outlines the audit requirements of the above.

After studying these requirements closely, you will see how similar they are. More and more companies are integrating their audit activities into a single process performed by suitably trained staff.

An Internal Audit is meant to be a constructive exercise, designed to determine the extent to which procedures and practices in a management system are being complied with and to determine the effectiveness of the system.

The Internal Audit process is an ideal tool to assist with identification of improvements to company processes and internal communications.

This course is aimed at assisting you to understand the who, what, when and how of Internal Auditing.

Let’s now have a look at what the standards specify about internal auditing.

STANDARD REQUIREMENTS FOR INTERNAL AUDITING

The following are extracts from the various Standards and Codes regarding Internal Audit requirements.

ISO 9001:2015 Quality Management Systems

9.2 Internal audit

9.2.1 The organization shall conduct internal audits at planned intervals to provide information on whether the quality management system:

a) conforms to:

1) the organization's own requirements for its quality management system;

2) the requirements of this International Standard.

b) is effectively implemented and maintained.

9.2.2 The organization shall:

a) plan, establish, implement and maintain an audit programme(s) including the frequency, methods, responsibilities, planning requirements and reporting, which shall take into consideration the importance of the processes concerned, changes affecting the organization, and the results of the previous audits;

b) define the audit criteria and scope of each audit;

c) select auditors and conduct audits to ensure objectivity and the impartiality of the audit process;

d) ensure that the results of the audits are reported to relevant management;

e) take appropriate correction and corrective actions without undue delay;

f) retain documented information as evidence of the implementation of the audit programme and the audit results.

NOTE see ISO 19011 for guidance

AS/ISO/IEC 17025:2018 General requirements for the competence of testing & calibration laboratories

8.8 Internal Audits (Option A)

8.8.1 The laboratory shall conduct internal audits at planned intervals to provide information on whether the management system:

a) conforms to:
-- the laboratory's own requirements for its management systems, including the laboratory's activities;

-- the requirements of this document;

b) is effectively implemented and maintained.

8.8.2 The laboratory shall:

a) plan, establish, implement and maintain an audit programme including the frequency, methods, responsibilities, planning requirements and reporting, which shall take into consideration the importance of the laboratory activities concerned, changes affecting the laboratory, and results of previous audits;

b) define the audit criteria and scope of each audit;

c) ensure the results of the audits are reported to relevant management;

d) implement appropriate correction and corrective actions without undue delay;

e) retain records as evidence of the implementation of the audit programme and the audit results.

NOTE ISO 19011 provides guidance for internal audits.

AS/NZS ISO 45001:2018

Occupational health & safety management systems – Requirements with guidance for use

9.2 Internal audit

9.2.1 General

The organization shall conduct internal audits at planned intervals to provide information on whether the OH&S management system:

a) conforms to:

1) the organization's own requirements for its OH&S management system;

2) the requirements of this document.

b) is effectively implemented and maintained.

9.2.2 Internal audit programme

The organisation shall:

a) plan, establish, implement and maintain an audit programme(s) including the frequency, methods, responsibilities, consultation, planning requirements and reporting, which shall take into consideration the importance of the processes concerned and the results of the previous audits;

b) define the audit criteria and scope of each audit;

c) select auditors and conduct audits to ensure objectivity and the impartiality of the audit process;

d) ensure that the results of the audits are reported to relevant managers; ensure that relevant audit results are reported to workers, and, where to the extent, workers' representatives, and other relevant interested parties;

e) take action to address nonconformities and continually improve its OH&S performance (see clause 10);

f) retain documented information as evidence of the implementation of the audit programme and the audit results.

NOTE For more information on auditing and the competence of auditors, see ISO 19011.

ISO 14001:2015 Environmental Management Systems

9.2 Internal audit

9.2.1 General

The organization shall conduct internal audits at planned intervals to provide information on whether the environmental management system:

a) conforms to:

1) the organization's own requirements for its environmental management system;

2) the requirements of this International Standard.

b) is effectively implemented and maintained.

9.2.2 Internal audit programme

The organisation shall establish, implement and maintain (an) internal audit programme(s) including the frequency, methods, responsibilities, planning requirements and reporting of its internal audits.

When establishing the internal audit programme, the organization shall take into consideration the environmental importance of the processes concerned, changes affecting the organization, and the results of the previous audits.

The organization shall:

a) define the audit criteria and scope of each audit;

b) select auditors and conduct audits to ensure objectivity and the impartiality of the audit process;

c) ensure that the results of the audits are reported to relevant management;

The organization shall retain documented information as evidence of the implementation of the audit programme and the audit results.

ISO 22000:2018 Food Safety Management Systems – Requirements for any organisation in the food chain

9.2 Internal Audit

9.2.1 The organization shall conduct internal audits at planned intervals to provide information on whether the FSMS:

a) conforms to:

1) the organization's own requirements for its FSMS;

2) the requirements of this document.

b) is effectively implemented and maintained.

9.2.2 The organization shall:

a) plan, establish, implement and maintain an audit programme(s) including the frequency, methods, responsibilities, planning requirements and reporting, which shall take into consideration the importance of the processes concerned, changes in FSMS, and the results of the monitoring, measurement and previous audits;

b) define the audit criteria and scope of each audit;

c) select competent auditors and conduct audits to ensure objectivity and the impartiality of the audit process;

d) ensure that the results of the audits are reported to the food safety team and relevant management;

e) retain documented information as evidence of the implementation of the audit programme and the audit results

f) make the necessary correction and take the necessary corrective action within the agreed timeframe;

g) determine if the FSMS meets the intent of the food safety policy (see 5.2) and objectives of the FSMS (see 6.2).

Follow-up activities by the organisation shall include the verification of the actions taken and the reporting of the verification results.

NOTE ISO 19011 provides guidance for auditing management systems.

AUDIT PROTOCOLS / GUIDELINES

To ensure uniformity of audit conduct, the ISO (International Organisation for Standardization) has published a guideline for auditing management systems.

ISO 19011 Guidelines for management systems auditing

This guideline is used by those conducting internal audits to ensure uniformity of audit conduct. This document is available from your local Standards publication outlet.

As this document is entitled "Guidelines" it is therefore not mandatory, and each organisation should develop its own specific procedures for implementing this guideline.

ISO 17021 Conformity Assessment—Requirements for bodies providing audit and certification of management systems

The above standard is used by Certification Bodies world-wide to ensure uniformity of certification audits

BENEFITS

Clearly, it is mandatory for companies to undertake Internal Audits for certification purposes.

Rather than being an imposition, this on-going exercise should benefit the company.

Internal Audits will:

- indicate if documented procedures are being adhered to
- indicate if the sequence of processes is correct and effective
- aid management to gauge the effectiveness of the procedures in place
- assist with continuous improvement
- identify where changes to procedures are required
- improve awareness and understanding of process requirements
- assists to minimise risk
- improve workplace safety
- improve internal company communications
- confirm positive work practices to your colleagues.

Student Notes:

TERMS & DEFINITIONS

AUDIT

A systematic and independent examination to determine whether activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives.

Notes:

1. The internal audit typically applies, but is not limited, to a management system or elements thereof, to processes, to products, or to services. Such audits are often called "quality system audits", "process/project audits", "product quality audits", "service quality audits", or "safety audits".

2. Internal audits are carried out by staff not having direct responsibility in the areas being audited but, preferably, working in co-operation with the relevant personnel.

3. One purpose of an internal audit is to evaluate the need for improvement or corrective action. An audit should not be confused with "surveillance" or "inspection" activities performed for the sole purpose of process control or product acceptance.

AUDITOR

A person who performs audits.

AUDITEE

An organisation / department / area / process owner to be audited.

NON-CONFORMANCE

The non-fulfilment of specified requirements.

Notes:

1. The definition covers the departure or absence of one or more characteristics or system elements from specified requirements.

2. The basic difference between "non-conformance" and "defect" is that specified requirements may differ from the requirements for the intended use.

3. Other terms are being used in industry as a substitute for non-conformance such as 'Action Item', 'Work Improvement', 'Change Request' or similar to remove the negative perceptions some people have about auditing.

OBJECTIVE EVIDENCE

Qualitative or quantitative information, records or statements of fact pertaining to the quality of an item or service or to the existence and implementation of a system element, which is based on observation, measurement or test, and which can be verified.

SUBJECTIVE EVIDENCE

Information based on hearsay, opinion or personal bias.

RISK

The chances of something happening that will have an impact on your business activities. It is measured in terms of consequences and likelihood.

CONTEXT

If during an audit the auditor observes one very minor problem, it's probably not worth formally documenting this finding. However, if several minor problems were found relating to the same activity, then contextually it would be worth raising.

If during an audit the auditor observes one very high-risk occurrence, then it would be important and necessary to raise this during the audit. When there is high risk, context is not required.

CORRECTION

Action taken to eliminate the non-conformance (quick fix).

CORRECTIVE ACTION

Action taken to identify and eliminate the causes of non-conformance to prevent recurrence (long term solution).

Student Notes:

IMPORTANCE OF AUDITS

An audit is the gathering of information to evaluate the need for improvement or corrective action.

It is not a witch-hunt to apportion blame.

Audits should be conducted in a positive manner to avoid defensiveness.

Audits are unavoidably expensive in terms of time and people. They need to be planned, carried out properly and reported clearly. There may be follow-up actions involving both the auditor and auditee. There may be travelling and accommodation costs. Guides may be required and work may be disrupted by the auditor distracting staff with questions.

The greatest costs will undoubtedly arise when untrained or otherwise unsuitable auditors are used because the information obtained by them is likely to be incorrect.

Therefore, careful selection is required when choosing staff to conduct internal audits.

Internal auditors are the "internal salespeople" for your management system.

Accordingly, their personality should be such that allows them to freely communicate with staff at all levels in your organisation.

Audits may be undertaken by relevant, trained members of an organisation's own staff or by hired, professional auditors. There are advantages in both options. The important consideration is which gives the most information.

A question often asked is whether specialist knowledge of the area or activity to be audited is required. In theory, the answer is "no" because the auditor should be looking for objective evidence provided by the documented system and conformity to that system.

In practice, some general knowledge is preferable to assist in the analysis of the acquired data and in the formation of a judgement. However, the auditor must be independent and not have *direct* responsibility in the area of any audit undertaken.

It should be noted that when conducting third party audits (e.g. a certification audit), at least one member of the audit team must have knowledge of the technology being audited.

TYPES OF AUDITS

There are several types of audits:

1. FIRST PARTY (Internal Audit)

Usually conducted by company employees. This is the most important of all audits. It requires a company to look in on its own systems, procedures and activities to ascertain whether they are adequate and that personnel are complying with requirements.

It provides management with information on whether their policies are being met, if the system is as efficient and as effective as it should be, and whether improvements are needed.

Further, it can provide a line of communication throughout the company and be a great motivator.

The criteria for these audits are usually a company's own policies, procedures, plans and instructions.

2. SECOND PARTY AUDIT (Supplier or Sub-Contractor Audit)

Usually conducted by competent company employees or hired sub-contract auditors. These audits are conducted on higher risk suppliers or sub-contractors to ensure that what is being purchased meets a company's specification.

The criteria for these audits are usually purchasing specifications, supply agreements and contracts.

3. THIRD PARTY AUDIT (External/Certification Audit)

This type of audit is conducted by outside professional audit bodies who are independent of the company being audited for the purposes of certification.

The criteria for these audits are usually ISO standards or similar.

Student Notes:

4. THE PRODUCT / PROJECT / SITE AUDIT

This may be considered a vertical audit, i.e.: looking at all the systems that went into the production of a specific end product or service. It should not be confused with an inspection of the item.

Product audits have a number of applications. They are applicable to auditing specific projects or contracts and, because software is often produced on those lines, it is commonly used for software auditing.

This audit also applies when a company only purchases one product or service, or when a specific product is being considered (for example, at contract review).

Site audits are usually performed by companies who operate outdoors as in the construction or road building industries.

5. PROCESS BASED AUDITS

This type of audit technique is encouraged to compliment other audit activities. Historically, businesses have conducted mainly procedure-based audits which are useful to test the procedure content and compliance to it. However, businesses are now finding it even more beneficial to conduct audits on several linked procedures to test not only compliance but effectiveness of the procedures as a whole.

By following the 'processes' through the business in accordance with the normal sequence of events provides a more meaningful test of the system and sequence of work. At the same time support processes such as 'record keeping', 'document control', 'training', etc can also be audited therefore saving time and minimising the resources needed to conduct effective audits.

These concepts will be explored further in the next few sections of this course.

Student Notes:

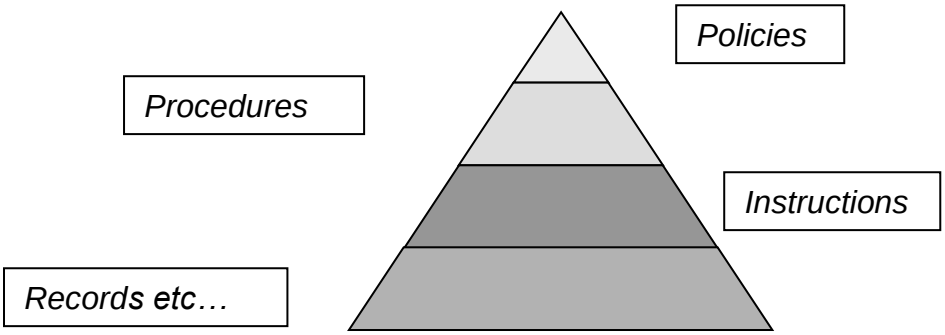
WHAT TO AUDIT? (Process Based Auditing)

Often the first question to be answered when commencing an audit program is 'where to start?'

Experts vary in their advice given to companies when setting up an audit program or revising an existing program. If you audit procedures only, you may miss parts contained within policy manuals. If you only audit the policy manuals and procedures, you may miss the linkages between the procedures. If you only audit processes, then the audit may become too lengthy.

The true answer is not that obvious and there are many variables that will impact on your decision.

Why would you go to the trouble of implementing policies, procedures, instructions, forms, project plans, course plans, contracts, case management plans, food safety plans, agreements, specifications, job descriptions and then not check to see if they remain relevant and correct?



The objective of the internal audit process is to verify and validate the content of your management systems. This ensures that any necessary changes and/or improvements are detected.

During the audit process it is critical that auditors engage the auditee to verify that there is consistency in understanding and interpretation. This approach allows staff to have input and promotes ownership of the management systems in place.

Ultimately the whole of your management system needs to be audited and the time and resources to be used will vary greatly according to the risks encountered. By contrast more resources would be used to audit the systems within a medical work environment as compared to the systems within a low risk manufacturing work setting. One thing is certain, don't waste time auditing low risk processes.

PROCESSES OR PROCEDURES

As stated above it is important that all aspects of your management system is audited eventually. In the past, many companies would audit all of their procedures and nothing else, based on the premise that if they are all OK then our entire system will be OK. Modern management systems now encourage the use of process-based auditing techniques. Let's have a look at the difference between a process and a procedure.

PROCESS

A set of interrelated or interacting activities which transforms inputs into outputs.

An example of a process would be purchasing, and in a large company may consist of a requisition procedure, purchase order procedure and an approval procedure.

Another example would be servicing a car which is made of many procedures such as: booking in, inspection, performing the many service activities, computer updating, invoicing, and customer feedback.

PROCEDURE

A specified way to carry out an activity or part of a process.

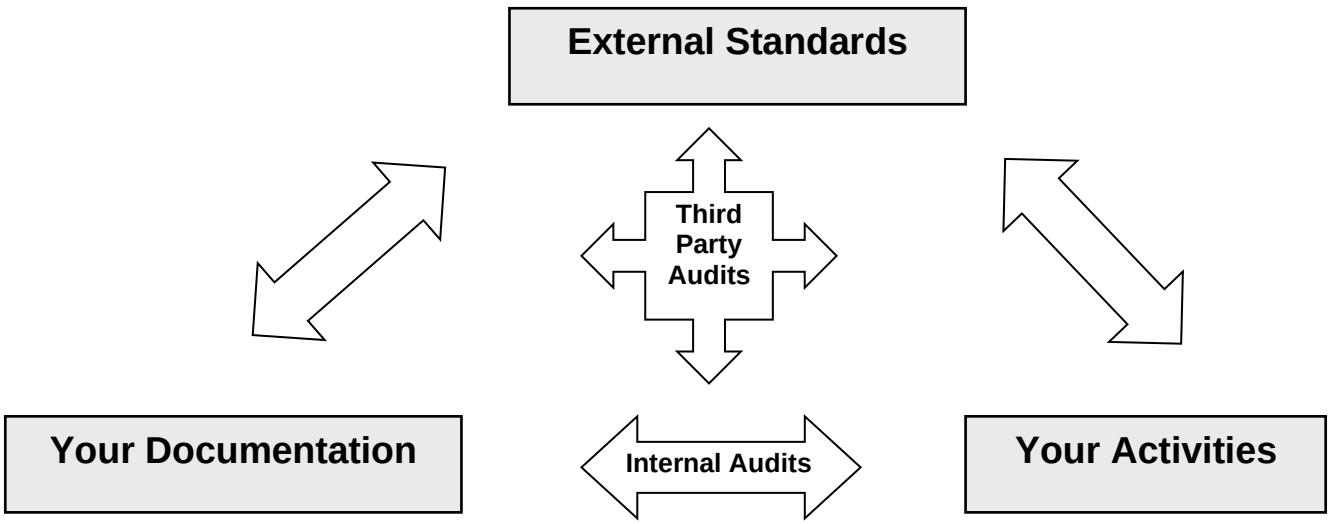
An example may be inspecting, inducting, measuring, cleaning, etc.

AUDITING AGAINST STANDARDS

Often, it is thought that companies must audit directly against a particular standard and basically duplicate what the certification bodies do.

When setting up an audit process companies tend to copy the formal certification processes as a means of impressing at audit time. This is not required. A better approach is to audit to ensure that your own management system aspects such as polices, and procedures are reflected in the workplace and that you have effective and efficient process outcomes.

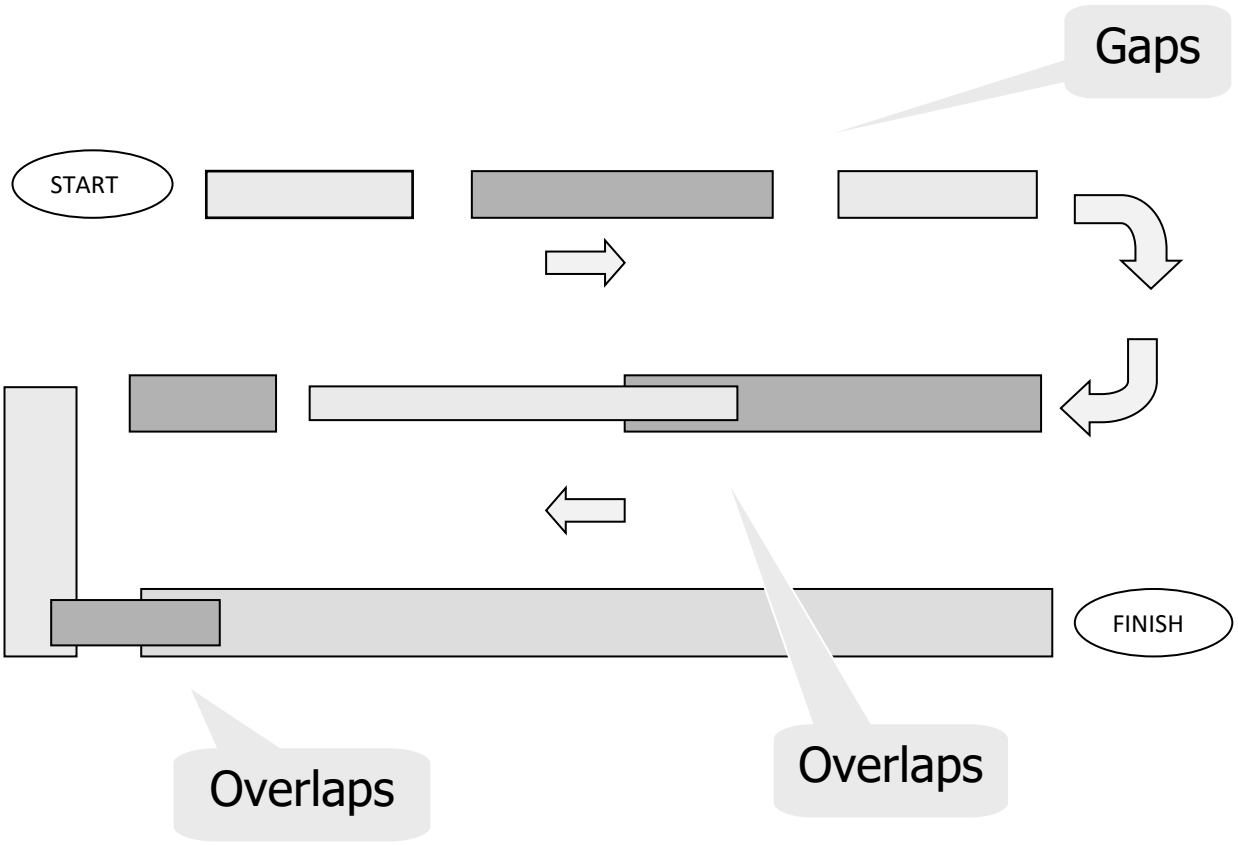
Leave it to the certification bodies to verify compliance to external standards, after all that's what they are paid to do. Concentrate on your systems and processes.



GAPS & OVERLAPS

The systems within businesses are many and complex, and to ensure that there are no unnecessary gaps and overlaps, a process audit can be conducted to detect them.

If you audit procedures only, and not processes these gaps and overlaps may not be detected.



Other support processes can also be audited concurrently such as record keeping, documents, training etc…

EXERCISE: No 1.

Draw a Flow chart of a simple process based on your workplace or experience.

AUDIT PLANNING & SCHEDULING

Although it is possible to schedule internal audits on a calendar basis, so that particular aspects are audited each week or month to give a total coverage over a period of time, notice should always be taken of events which indicate the need for additional activity. Typical of this is the finding of an action item on a previous audit. In such instances, a further audit is necessary to verify the effectiveness of the corrective action taken.

Some of the factors, which require evaluation to establish an audit schedule, are discussed below. To some extent, they relate to both internal and external audits, although the significance varies.

Existing work activities.

There is no benefit in auditing a shut down department or off-season activity.

The phase of the activity and the completion or delivery date.

Audits are likely to be most informative in the early or late stages rather than in mid-stream.

The value of the activity.

Cost effectiveness is required.

The possibility of a certification audit.

Sometimes this may cause a flurry of audit activity which may be unnecessary. Use the certification audits to complement your audit program.

Contract requirement.

As a contract requirement, an audit can establish that all the required features are in place for conformity with customer requirements.

Actual/potential problems – risks/near misses

Do records suggest that there may be actual or potential problems?

Arrival of new employees.

Have all recently employed staff been trained in the requirements of the system. Often new employees represent an increased OH & S risk.

AUDIT PLANNING & SCHEDULING (Cont'd)

Consideration of these factors will indicate whether or not an audit of that activity is required. If the answer is 'yes', then the following points need evaluation.

Is it to be an adequacy, compliance, product, process or project audit, or a mixture?

What information is required and by when?

The depth and scope of the audit *- will it cover all activities and areas? How deep should we dig?*

On what dates should the audit take place?

What resources are available to conduct the audit?

Many factors can influence this answer. Some have been touched on above; others concern the availability of auditors and auditees, the impending retirement or improvement of a key staff member, etc.

Who will perform the audit?

Questions to be answered are: whether special knowledge is desirable, can the audit be used as a career development opportunity, do we need special auditing skills, etc?

Is it possible to combine the audit with other activities to avoid duplication and spread the costs?

This may be achieved by combining audits with inspections, safety activities, or stocktaking.
Audits can also be conducted to teach new auditors or as a method of raising awareness of a new procedure.

After consideration of these points, a schedule of internal audits may be drawn up. Bear in mind the possibility of needing a special ad hoc audit within this program. The ad hoc audit can often replace "fire-fighting" activities.

The end result of this planning may well be a spreadsheet similar to Figures 1 (shown overleaf). It specifies:

area to be audited,
who is responsible for each activity to be audited?
what activities will be audited, (ie. scope),
the month of audit,
the auditors, and
an audit report number.

Pre-allocation enables a check to be made to establish that all records are included.

EXAMPLE OF INTERNAL AUDIT SCHEDULE

Figure 1

AUDITEE	AUDITEE RESPONSIBLE	AUDIT SCOPE	SOP NO	MONTH OF AUDIT	AUDITORS	AUDIT NO
Customer Service	Stephen	Documents & records Purchasing Client ID Staff Training Customer Items	4 5 7 14 15	October	Margaret Jack	A1 00
Service Provision	Karen	Documents & Records Calibration Control of NC product Corrective action Staff Training	4 10 12 13 14	November	Jo	B1 00
Business Development	John	Documents & Records Staff Training	4 14	February	Frank	C1 01
Sales & Marketing	Mary	Customer orders Purchasing Documents & Records Staff Training	3 5 4 14	February	David	D1 01

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
A	X		X		X		X		X		X	
B		X	X					X	X			
C	X	X	X	X				X	X	X	X	
D				X						X		
E		X			X			X			X	
F	X										X	X
G	X	X									X	
H								X	X			
I	X	X	X	X	X	X	X	X	X	X	X	X
J					X					X		
K	X	X	X			X					X	

TEAM AUDITS

THE TEAM LEADER

If an audit is to be made by a team of two or more, the person responsible for the audit program will appoint one of the auditors the team leader. The leader has responsibilities.

These responsibilities should not be ignored in the case of the single person audit, nor should it be thought that they do not matter in the case of internal audits although, of course, their relative importance will vary in these circumstances.

The team leader, in conjunction with the audit program manager, will undertake the following duties.

***Decide how much work is involved*.**

Nominate other team members.

The basis of selection should always be that the leader trusts and can work well with the team members. The leader also must consider the need for special knowledge or skills and career development or training needs.

Fix dates *with the auditees to ensure the availability of all parties*

Obviously, notice of external audits must always be given to the auditees, but the question is often asked whether notice of internal audits should be given. Prior notice will probably be better received than the sudden appearance of the auditor. Hopefully, this consideration will lead to better communications. A good auditor will not be distracted by activity, which may have occurred during the notice time.

Notify the team members *of all details of the logistics, audit scope, objectives and methods*.

Allocate the team members' tasks

Ensure that the team members are fully prepared (safety clothing, inductions etc)

Chair and run the opening and closing meetings*, even though they are held on another's territory*

***Controls the audit activities*.**

STAGES OF AN AUDIT

This section deals with the various stages that must be completed in order to perform a successful audit.

Although the methods used may vary slightly from company to company, a uniform approach is necessary to avoid confusion. This is where a documented procedure is valuable to ensure consistency.

The typical stages are:

1. Preparation / information collection / planning
2. Checklist preparation
3. Opening statement / Entry meeting
4. The audit
5. Documenting findings, preparation for closing
6. Closing statement / Exit meeting
7. Corrective action & Follow-up
8. Recording and review of results

STAGE 1 PREPARATION / INFORMATION COLLECTION

To ensure that an audit is performed efficiently and effectively, it is important that appropriate planning and preparation takes place.

Prior to an audit an auditor should;

establish an appropriate **time and date** with auditee with reference to the audit schedule

check past audit results (if available)

obtain a copy of the **audit criteria**, eg procedure, instruction or Standard against which the audit is to be conducted and the **applicable audit forms**

clarify scope and depth of the audit

visit the audit area to familiarise yourself with the process

ensure availability of all participants

select suitable audit team members if within your scope of responsibility

confirm access to all areas and records are available.

Thorough **preparation** and planning for audits is essential to avoid wasted time and resources.

STAGE 2 CHECKLIST PREPARATION

A well-devised checklist is most **important** and can be of great benefit to an auditor.

Checklists **should act as prompts** to remind the auditor of the information that is to be obtained - or the facts that have to be verified. They ***should not be used as a list of questions to be asked*** of the auditee and marked off as right or wrong depending on the answer. A checklist may be prepared by **turning active verbs into things to check** or reversing the statement made in the Standard / Code or procedure against which the audit is to be made ie. turning the **requirement into a question**, i.e. Shall becomes 'show me'

Companies have complete freedom to design a format that best suits their needs. It may be beneficial to use a **photocopy of the procedure** or audit criteria and with a highlight pen select the aspects to be evaluated.

Custom made checklists allow room for recording of results whereas photocopied procedures may not provide enough room for the recording of results. Some companies use both approaches depending on the complexities of the processes to be audited.

In use, checklists remind the auditor of the information to be sought.

There are some Apps available for use. " IAuditor" seems to be a popular one.

The comments column permits the details of the persons interviewed to be recorded. The items (equipment, documents etc), checked may be entered and any other appropriate remarks may be made. In this column, note any non-conformance reports raised.

Correctly completed, the **checklist then becomes a record of the audit**, supplementing and complementing the findings recorded on the non-conformance reports. Such a record increases the value of the audit and provides useful data for planning subsequent audits.

Another use of the checklist is to aid **time-management**. The auditor will be able to track the time spent against items resolved and thereafter be able to set the pace to finish on time.

It is also helpful to indicate the result of your findings, eg, ✓, X or OK to assist with your audit reporting.

When completing checklists ensure that a reference is noted as to what the question is related to, the question asked is relevant to the reference and that an accurate recording is made of the result.

If the above details are accurately recorded, then it is much easier to report the findings objectively.

Checklists are meant to help you through your audit so feel free to write questions, draw mini **flow charts or diagrams** to help you through the process.

Remember: The checklist is an aid to your memory, it is not a list of questions to ask the auditee.

EXERCISE: No 2.

Evaluate the procedure below and prepare a checklist of questions to ask.

Select three questions and indicate which question would give you the most information.

(Hint): Use your highlighter to mark the questions you would like to ask.

EXTRACT FROM TYPICAL DOCUMENT CONTROL PROCEDURE

5 Management system documentation

5.1 Policy Manual & Departmental Manuals

The methods used for review, approval and control of the Policy Manual are described in Section 7 of the Policy Manual.

The methods used for review, approval and control of the Departmental Manuals are described in Section 4 of the Departmental Manuals.

5.2 Procedures

5.2.1 Any person within the company can prepare procedures.

5.2.2 Procedures are approved by the Compliance Manager by signature in blue ink.

5.2.3 All procedures must be presented in a common format and indicate our company name, procedure title, procedure number, issue status date and page numbering.

5.2.4 It is not permitted to re-issue a procedure more than once in any one calendar day.

5.2.5 A list of current procedures is maintained and authorised by the Compliance Manager in Section 5 of the Policy Manual.

5.2.6 This list is used to ensure that personnel know the current issue status date of any procedure in use.

5.2.7 A controlled copy of all procedures are kept on the bookshelf in the inside office.

Duplicate copies of any procedure may be made provided that such copies are stapled or bound together and stamped "UNCONTROLLED".

EXERCISE: No 3.

In the back of this manual, (pages 42 - 53), there is a case study document to use for this typical audit exercise.

You will find the following:

A purchasing policy	page 47
A training policy	page 48
A purchasing procedure	page 49, and a
A training procedure	page 52

Pick either the Purchasing process or the Training process and identify 6 questions you would like to use as audit questions.

Please use the checklist provided in your invitation email to record your questions in the first 2 columns. You can ask any questions you like, as long as they refer to the Purchasing or Training activities.

Your facilitator will generate a discussion within the group regarding the questions you have selected.

Save this completed checklist, as later today you will be able to ask these questions using the course facilitator as the auditee.

STAGE 3 OPENING STATEMENT / ENTRY MEETING

Having completed the pre-audit planning, an introductory / opening statement is made by the auditor (or leader in the case of multiple member audit teams) to formally commence proceedings.

The following points are covered.

Introduce yourself and team members (if appropriate)

Explain the **reason** for the audit

Explain the **scope** of the audit, ie.

procedure(s) and/or process
document (s) to be audited,
to whom you would like to speak, and
the areas you would like to see

Detail the **duration** of the audit

Check the availability of a **guide**

Ensure that **all personnel, within the scope of the audit, are advised** of it taking place

Emphasise that you are auditing the **system, not the personnel** working within the system

Explain the **terminology** for describing action items and any audit forms to be used

Explain that at the conclusion of the audit, a **closing** statement (exit meeting) will be made detailing the audit findings

Confirm domestic arrangements ie safety equipment, access etc

For a large site a **map** or brief **tour** might be appropriate

Invite **questions** to ensure no uncertainties remain

Student Notes:

STAGE 4 THE AUDIT

At the commencement of the audit, it is necessary to ensure that the correct **issue** of documentation is available and that all updates (as appropriate) have been incorporated.

During the audit ensure that:

- all **previous** audit action items have been cleared up or addressed (if within the scope of your audit)
- the entire **scope** of the audit is covered as stated in the opening meeting
- **open questions** are asked, ie. beginning with who, what, where, when, how, why and show me
- **objective evidence** is sought, and you are fully satisfied with the facts presented to you
- you **listen carefully**, and you **show interest** to avoid a breakdown in communication
- you emphasise that ***we*** are auditing ***our*** system and that a **partnership approach** is used
- if an action item is found, a **clear and precise** record of the details are made
- **checklists are used**, and **time wasting** activities are avoided.

HELPFUL HINTS

When conducting internal audits for the first time, experience has shown that it is beneficial to have at least **two auditors per team**. This helps to overcome nervousness with one asking the questions, while the other documents the findings. Once **confidence** is attained, future internal audits can be conducted by a single auditor.

In general, the **duration** of internal audits should be limited to 1 to 2 hours per audit so that interest is maintained and that the task does not become too laborious. Some process audits may take a little longer. If the process is too lengthy then consider breaking the audit up into two or three separate audit activities.

If, during an audit, the auditee becomes unreasonable, aggressive or excessively wastes time, or work requirements prevent continuation of the audit, be prepared to **reschedule** the audit and advise your Audit Manager accordingly.

The audit process is a **support mechanism** to your business so be prepared for business processes that may impinge upon your time.

EXERCISE: No 4

Conduct an audit

Locate the sample evidence of the Purchasing and Training processes on pages 54 to 70 in your manual.

Ask your facilitator your questions to determine what the process is and verify that the evidence provided matches up.
Document your findings in the right-hand column of your checklist as you go.

STAGE 5 DOCUMENTING FINDINGS

At the completion of the audit, **time out** should be taken so that an accurate and objective record can be made of the audit findings.

In a team-based audit, this time is beneficial in that the findings are discussed, and a **consensus view** formed.

Any doubtful issues are discussed, and any findings are recorded in a **clear, precise and objective** manner.

During this stage a decision is made regarding the audit findings.

Some companies find it beneficial to **include the auditee** during this process, as they would have the most knowledge about the audit findings and future actions.

Most management system standards require (among other things, in the internal audit clauses) that the results of the audits be documented and brought to the attention of the responsible personnel in the area audited. Further, the management personnel responsible for the area are required to take timely corrective actions on the action items found.

The auditor's checklist may be utilised to record the various aspects investigated during the audit.

There is no specific form for the reporting of action items. Each organisation should design a format that best suits its purpose. There are, however, certain features that should be considered in any design (refer Fig. 3).

Since the report form is going to be **part of the records**, it should have a comprehensive heading that enables all information about the audit to be referenced. This should include a unique number for each report raised.

When designing your Internal Audit Report Form (or Non-Conformance form) ensure that enough fields are incorporated for the following purposes.

1. To permit the auditor to record all the details of the non-conformance.

2. For the auditee to record the corrective action that is proposed to rectify the action items and the proposed completion date.

3. Subsequently, for the auditor (or the auditor's successor) to confirm that the required action has been taken, whether or not it was on time and that it was effective.

4. For the pertinent members of the organisation's management to record their satisfaction with the findings or to indicate any further actions they deem necessary. Normally at Management Review.

With respect to the recording of the action item, there are certain points that should be covered.

The auditor's report should comprise three elements:

1.	***Objective Evidence*** - **(FACTS)** examples of what was found including context. Which ones? Which documents? which orders? how many? Where?
2.	***Reference*** - **(CRITERIA)** to the appropriate clause of the audit criteria Contract clause, specification, work instruction, drawing number etc
3.	***Explanation*** - will others understand what has been written?

Figure 2.

Normally action items will be attributed to the clause of the system documentation against which the audit was made and that which most closely matches the observation. Only one clause should be referenced.

It is beneficial if the action item is reinforced by cross-referencing the organisation's own documentation.

GRADING OF AUDIT FINDINGS

It is not mandatory to grade your audit findings into major and minor issues as most certification bodies do.

However, it is common to record your findings as either action items (where there is objective evidence to support your case), or as observations (where there is a lack of objective evidence), but consideration for improvement is suggested.

In the above example, it is usual that corrective or preventive action must be taken for any action items found. Observations are considered as suggestions for improvement and any action to be taken is optional.

The term "non-conformance" is not mandatory. Any of the synonyms such as **deficiency**, **discrepancy, action request, action item**, **non-conformity etc** may be used as the organisation wishes, but consistent use of the preferred phrase is advised.

The phrase **"opportunity for improvement"** is sometimes used to provide a more positive approach.

According to these guidelines, the following example illustrates the sequence of development of an audit report.

Refer **Figure 3** on the following page:

Box 1. Shows an Internal Audit Report T.0162 completed for an action item found by auditor Alan Smith during an audit of his company's internal audits on 21 September. The auditor's guide was the company's Compliance Manager, Wendy Peters.

Box 2 Shows the auditor's findings. In this box the auditor should describe clearly exactly what the issue is, the evidence and reference criteria.

*Note the three elements **objective evidence, reference** and **explanation**.*

Box 3 Shows how Wendy undertakes to modify the company's audit schedule (for which she has the responsibility) and ensure that all departments in the company will have been audited by 21 December.

Box 4 Shows how another auditor Joy Percy, as successor to the original auditor, confirms on 30 December that the proposed corrective action has been properly undertaken.

Box 5 Shows that the company's Chief Executive Dr. A. Warwick has expressed satisfaction with the handling of the situation and adds the condition that the Engineering Director (Wendy's superior) is to check to confirm that all the relevant documentation that could be affected by this change is updated.

Student Notes:

AUDIT REPORT FORM

No: T 0162

Audit scope: Internal audits

Date: 21 September 2020

1

[X] Action Item

[ ] Observation

Auditor: Alan Smith

Auditee: Wendy Peters
Compliance Manager

Auditor's Findings:

2

The current audit records show that since April XXXX, there have been no internal audits of the Customer Service, Sales, Planning or Design Departments, nor of the Front Office.

- *Procedure 17 states that audits shall be carried out at monthly intervals on all departments.*

Auditor: ***A. Smith*** *Auditee* **- *W. Peters*** Date: 21 September 2020

Proposed Corrective Action: What was the cause of this problem? (to be completed by the auditee)

3

The cause was lack of knowledge of the various standard requirements. The current schedule of internal audits will be revised to include audits of the departments quoted on the above report before December 21, XXXX. Subsequent schedules will continue to include all departments at three monthly intervals. Procedure No 17 will be altered to reflect the new minimum interval.

Signed: ***W. Peters*** Date: 21 September 2020

Review of Corrective Action: (to be completed by a nominated person)

4

The previously omitted departments have now been audited in accordance with the new audit schedule. It was confirmed that the audit schedule for the next twelve months includes all departments (at three monthly intervals). Procedure 17 has been amended to reflect the revised audit intervals.
The corrective action is considered satisfactory and the audit closed.

Signed: ***J. Percy*** Date: 30 December 2020

Management Comments: (Usually at a Management Review meeting)

5

Closure of this audit is agreed. Pat Mason is to review the future scheduling of audits incorporating risk and frequency.

Signed: ***A Warwick*** Date: 1 February 2021

Figure 3

EXERCISE No 5.

Please study the following 8 scenarios, which you encounter during an internal audit within your company.

Individually consider each situation carefully and decide if you would:

Raise an Action Item	A/I
Document an observation	OBS
Consider the situation O.K.	OK
Ask more questions.	More Questions?

Remember: Objective evidence, Reference, Explanation?

1. Whilst in the Purchasing office you notice that three purchase orders are not signed by the Senior Buyer. Purchasing procedure SOP 21 states that all orders are to be authorised by the purchasing staff prior to release.

☐ A/I ☐ OBS ☐ O.K ☐ More Questions?

2. During the audit you find a number of cartons stacked against the wall in the passageway leading from the front office to the work area. Your guide states that because of storage problems there is no where else to put them.

☐ A/I ☐ OBS ☐ O.K ☐ More Questions?

3. When auditing the customer service centre, you examine the procedures in use and find them difficult to understand. However, the procedures are being followed quite clearly and there is no evidence of problems.

☐ A/I ☐ OBS ☐ O.K ☐ More Questions?

4. Three completed circuit diagrams (out of five sampled) in the design area were not signed by the Software Manager as required by procedure 25. They were diagram Nos A1, A5 & A7.

☐ A/I ☐ OBS ☐ O.K ☐ More Questions?

5. Three employees (out of fifteen) in the work area were not wearing the designated safety gear as required by procedure 12.

☐ A/I ☐ OBS ☐ O.K ☐ More Questions?

6. Two employees (out of 7) in the food processing area were not wearing their hair nets as required by Section 9 of the food safety plan.

☐ A/I ☐ OBS ☐ O.K ☐ More Questions?

7. Two sub-contractors found working on the worksite had not been inducted into the 'site-safe' program as per section 17 of the OH & S manual.

☐ A/I ☐ OBS ☐ O.K ☐ More Questions?

8. Hazardous chemical drums were stored next to the storm water drain.

☐ A/I ☐ OBS ☐ O.K ☐ More Questions?

EXERCISE No 6.

Audit Reporting

The Audit Scenario

You are conducting an audit in the Administration Department of a major hospital. The processes being audited cover the following procedures:

AD 15 Training Needs Identification
AD 16 Training Records Maintenance
AD 17 Induction Training
AD 18 Personnel File Maintenance
AD 19 Maintenance of Client/Patient Records
AD 20 Maintenance of Job Descriptions

There are 10 staff working in the Admin Department and your auditee/guide is the Office Manager (Rhonda Records). You notice that within procedure AD 19 it requires that client records, Client history records, client payment records etc must be kept in their respective files and are to be protected from open access at all times. This requirement has been implemented as part of the company's Privacy Policy.

You notice throughout the Department that there are five separate examples where client records have been left on common workbenches which can be seen and read by anyone walking through the Admin Department. All these records relate to day procedure patients.

You ask several staff in the Department (six) if it is OK to leave these records where you had found them. Their response was that: "We usually keep them filed away but for day procedure patients it's more convenient to leave them out so that copies can be made and information can be added without digging in the files all of the time"

You then ask Rhonda about this situation, and she says that staff need to be reminded of this requirement. She says that this is quite a serious breach of company procedure and agrees that this is an Action Item that needs to be corrected.

Your Task

Write up an audit report of this situation which covers the following:

Audit Scope
Audit Reference Criteria
Auditor Name (you)
Auditee Name
Description of the Action Item

AUDIT REPORT FORM

Audit scope: _____ No: T 0162

Audit Reference Criteria: _____ Date:

☐ Action Item

☐ Observation

Auditor: _____ Auditee: (Office Manager) _____

Auditors Findings:

Signed Auditor: Auditee: Date:

Proposed Corrective Action: What were the causes? What will be done? (To be completed by the auditee management)

DO NOT COMPLETE

Signed: Date:

Review of Corrective Action:

DO NOT COMPLETE

Signed: Date:

Management comments:

DO NOT COMPLETE

Signed: Date

TIME OUT PRIOR TO CONCLUDING THE AUDIT

At the conclusion of the audit it is important to take some time out to collect your thoughts and absorb the information gathered during the audit. You can then formulate meaningful conclusions.

Use this time to review any information collected, to check your notes that you have made during the audit, and to ensure that the audit scope has been covered.

If you have conducted the audit with a colleague, discuss your findings to ensure that you both agree on the audit outcome.

You can then prepare your audit report and agree on what you will say at the closing meeting.

Student Notes:

STAGE 6 THE CLOSING MEETING / EXIT MEETING

At the end of the audit, a closing statement is made, or an exit meeting is held to formally bring the audit to a conclusion.

This activity is conducted as follows:

Formally state that the audit is now **finished**

Thank the auditee(s) for their help and co-operation

State that although the aim of the audit was to test compliance, positive aspects were noted during the process. (At this stage some of these **positives** could be mentioned)

Give a brief resume of the audit **scope** (for new attendees)

Present your **findings** in a constructive manner, and discuss and agree on a **time frame** for corrective action and possible close out dates

Invite **questions**

The next step in the audit process would depend on the requirements of your company's Internal Audit Procedure

Generally, you would **hand over** a copy of the audit report and/or any action items (NCR's/CAR's) to the auditee

The original would then be given to the person responsible for reviewing the results of internal audits (normally the Audit Manager).

The audit documents then remain pending, waiting for subsequent actions and close out.

Student Notes:

STAGE 7 CORRECTIVE ACTION & FOLLOW UP

The auditee or **process owner** is now responsible for taking appropriate corrective actions as detailed on the audit documentation.

The first step here is to identify and eliminate the causes to prevent recurrence.

Auditors and/or managers are responsible for conducting follow-up activities after the agreed **time frames have lapsed.**

This is to ensure that all actions that were planned as a result of the audit have been carried out and have addressed the issues effectively.

If the issues raised during the audit have not been suitably addressed, the audit remains pending until it can be closed out. The **management review** process could then be used to monitor future actions.

Student Notes:

STAGE 8 RECORDING & REVIEW OF AUDIT RESULTS

Most of the standards/guidelines mentioned earlier require that results of audits must be recorded and brought to the attention of those who own the process.

Most companies use an array of forms for capturing results, recording actions and the verification of actions taken.

It is extremely important that the methods used are simple, uncomplicated and practical.

One reason for recording the results of audits is to communicate to others unambiguously and to provide objective evidence of their occurrence.

Records also allow management to **quantify** actions so that any action taken is appropriate.

Retention periods should be determined for audit records.

The standards, state that review of audit results form an integral part of management review.

During this review process positive and negative trends can be detected which provides management with the opportunity to make objective decisions.

This review process may also result in improvements to the audit process.

This leads back to start of the whole process. If you can remember, The standards require that audits ***shall be planned, taking into consideration the status and importance of the processes and areas to be audited as well as the results of previous audits … … … … …***

With hindsight and a sound recording process, we can then schedule future audits based on known risks and past results.

Student Notes:

GMS

MANAGEMENT SYSTEMS MANUAL

This manual is a controlled document and will be maintained in an updated condition by GMS Compliance Manager in an electronic format on the shared drive. Any hard copy manuals are deemed to be uncontrolled copies, which may be issued for reference purposes.

This manual describes the organisation of GMS and defines policies, procedures and responsibilities for the maintenance of the Company's Management Systems.

Our Management Systems have been developed and organised to meet our customers' requirements and to comply with the requirements of Quality, Environmental, Risk and WHS Standards covering the supply of services to a variety of clients.

This Manual is supported by detailed Standard Operating Procedures (SOPs). Where appropriate, these are cross-referenced in the relevant section of this Manual.

This manual does not propose to provide an appropriate example for a Policy Manual. Deliberate errors have been included for the purpose of the case study requirements.

August 2020 FOREWORD
ISSUE No. 5

Last modified March 2020

GMS

MANAGEMENT SYSTEMS MANUAL

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MANAGEMENT SYSTEMS MANUAL

SECTION 2

AMENDMENT AND DISTRIBUTION OF THE MANUAL AND PROCEDURES

2.1 DISTRIBUTION AND WITHDRAWAL OF CONTROLLED COPIES

The master copy of this manual is held by the Compliance Manager, who is responsible for all issues and withdrawals of obsolete or changed documents.

2.2 UNCONTROLLED COPIES

Hard copy uncontrolled copies of this manual may be issued at the discretion of the Compliance Manager.

2.3 AMENDMENT RECORDS

All amendments and changes to the Manual will be recorded on the Amendment Record Sheet. Amendments will be made by the replacement of a complete page or pages. Typed or handwritten amendments to individual pages are not permissible.

2.4 REVIEWS

Review of this Manual will form part of the Audit Review (section 6 of this Manual) and will be carried out annually by the Managing Director jointly with the Compliance Manager.

AMEND No.	SECTION No.	PAGE No.	NEW ISSUE No.	DATE	REMARKS	SIGNATURE
1	ALL	ALL	1	12/06/10	FIRST ISSUE	**Q. Manager**
2	ALL	ALL	2	10/06/12	SECOND ISSUE	**Q. Manager**
3	All	All	3	21/08/14	Third Issue	Compliance Manager
4	All	All	4	29/02/15	Fourth Issue (except org chart & section 17)	Compliance Manager
5.	All	All	5	01/08/20	Fifth Issue	Compliance Manager

SECTION 3

CUSTOMER SERVICE POLICY

It is the policy of GMS to supply climate services, which will meet our customers' specifications, environmental legislation and WHS in all respects and remain fit for purpose throughout their specified life.

In order to assist in accomplishing these objectives, GMS has established, and will maintain and implement, an efficient programme and procedures for all functions, which will comply, as a minimum, with the requirements of ISO 9001, ISO 14001 & AS 45001.

The Compliance Manager has been given the authority and responsibility to prepare, maintain and implement documented systems and procedures to ensure compliance with company policy, customers' requirements and the agreed Compliance Program.

All employees of GMS are made aware of this policy and how it affects the operation of their role within the Company.

All procedures, instructions and policies are audited for suitability and effectiveness as part of our routine internal audit program.

Customers are our future

M. Director

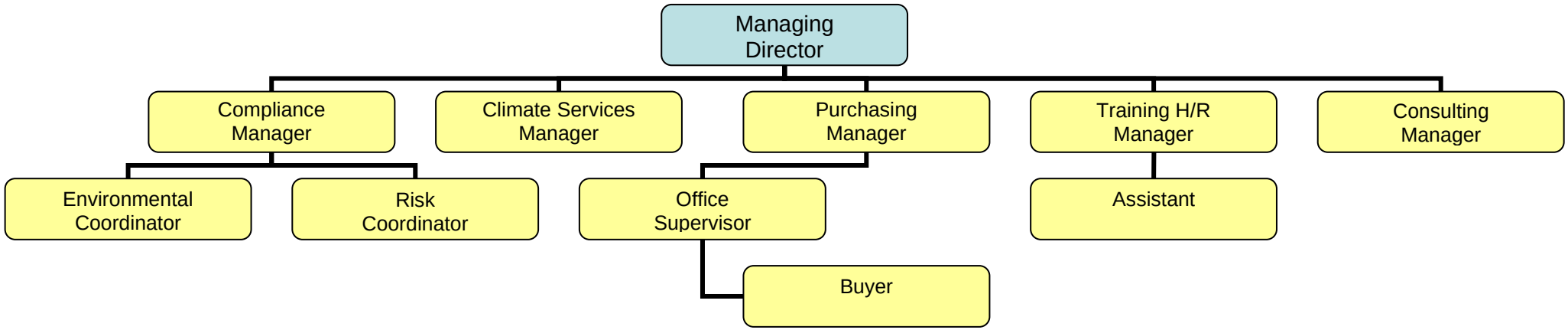
Managing Director

Note: Other policies under development are:

Privacy
Equal Opportunity
Data Security

SECTION 5

Organisation Chart



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MANAGEMENT SYSTEMS MANUAL

SECTION 9

PURCHASING POLICY

9.1 INTRODUCTION

The quality of purchased products and services significantly contributes to the quality of services provided.

9.2 DESCRIPTION

Purchased product and services comprises all items purchased by GMS and includes the following:-

consumables; contractors/consultants/researchers; services; and education expediture.

9.3 ECONOMIC CONSIDERATIONS

The requirement for purchased goods and services is that prices must be competitive. Suppliers must represent good value for money.

9.4 SUPPLIER SELECTION

Wherever possible, purchases will be made from an approved supplier who satisfies standards defined in this Manual and supporting procedures. Where this is not possible, then authorisation shall be obtained from the Compliance Manager for the selection of an alternate supplier. (by signature on a purchase requisition)

9.5 PURCHASE ORDERS & PURCHASE REQUISITIONS

Purchase orders must contain all information required to enable our suppliers to clearly understand our requirements.

A purchase order must not be generated without a complete and authorised requisition.

For details refer to: System Procedure - SOP 3

GMS

MANAGEMENT SYSTEMS MANUAL

SECTION 17

TRAINING POLICY

17.1 INTRODUCTION

It is GMS policy that all staff should be suitably qualified and attend our induction training before engaging in any company activities.

17.2 STANDARD

Our organisation will carry out training to nationally and internationally recognised and approved standards as applicable.

All responsible managers & Directors (as identified in section 5) will identify training needs within their own platforms and will co-ordinate the implementation of this training as required. Managers will notify the Training Manager of the need to update records on completion.

17.3 RECORDS

Records will be kept of all training.

These records will be filed in the individual personnel records and will be maintained by the Office Supervisor.

For details refer to: System Procedure - SOP 16

PURCHASING PROCEDURE (SOP3)

(MANAGEMENT SYSTEMS MANUAL Reference Section 9)

3.1 PURPOSE

The purpose of this procedure is to define the controls and responsibilities necessary to ensure that purchased products and services are obtained to specification at competitive prices and contracted delivery dates.

3.2 RESPONSIBILITY

The Purchasing Manager has the responsibility for ensuring that the requirements of this procedure are followed by all staff.

3.3 APPROVED SUPPLIERS & SUB-CONSULTANTS

A listing of suitably assessed suppliers and consultants will be compiled by the Compliance Manager and maintained by the Purchasing Manager. This list will be used as a guide when determining where orders are to be placed.

Any orders placed with suppliers and consultants not on this list must be approved in writing by the Compliance Manager.

3.4 NON-APPROVED SUPPLIERS

Where a non-approved supplier is to be considered the Compliance Manager must be advised to arrange contract negotiations.

3.5 PURCHASING REQUISITIONS

3.5.1 Any of the senior staff may create a purchase requirement by completing a purchase requisition form. Senior Managers have sequentially numbered blanks of requisition forms. All requirements for the purchase must be clearly stated on the requisition form.

3.5.2 The requisition will be signed by the requesting Manager and counter-signed by the Managing Director.

3.5.3 If approved by the MD, the requisition is forwarded to the Purchase Office. If not, the requisition is returned to the requesting Manager and the purchase denied.

3.5.4 The Purchasing Manager reviews all requisitions for adequacy and completeness. The Office Supervisor is responsible to ensure that any vague or ambiguous requirements are followed up with the requesting Manager.

3.5.5 The Purchasing Manager generates a Purchase Order for all complete purchase requisitions

3.6 PURCHASE ORDER AUTHORITIES

3.6.1 If the ordered items have a value of $1,000.00 or less, the Purchasing Manager approves the Purchase Order.

3.6.2 If the ordered items have a value over $1,000.00, the purchase order is sent to the Managing Director for approval.

3.7 PURCHASE ORDER INFORMATION

All purchase orders must include the following information: -

Supplier's name and address;
Order number;
Date; Tax number;
Sub-contractor's reference (if any);
quantity or size required;
full description of service;
any special instruction
specification/contract number (if known);
authorising signature (as specified above).

3.8 PURCHASE ORDER RECORDS

The purchase order is distributed by the Purchase Department as follows:-

1st copy (white) - to the supplier for signature and return as acknowledgment of order.
2nd copy (white) - retained as Purchase Office copy in supplier alphabetical order.
3rd copy (blue) - Administration copy.
4th copy (pink) - Accounts copy.

3.9 ACCEPTANCE OF CONTRACTS & SERVICES

When the service has been received or consultancy completed and checked, the white copy is returned to the Purchase Department and filed in supplier alphabetical order.

Attachments:

Purchase Requisition	F 301A
Purchase Order	F 301B

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TRAINING PROCEDURE (SOP 16)

(MANAGEMENT SYSTEMS MANUAL Reference Section 17)

16.1 REQUIREMENTS

Where any part of GMS's operation can affect the quality of services, training for the personnel responsible in that aspect will be provided.

16.2 RESPONSIBILITY

16.2.1 The Managing Director has the responsibility for ensuring untrained personnel are not used in the service delivery, or any other aspect of GMS services.

16.2.2 Where auditor training is required, the Compliance Manager will carry this out or will arrange for it to be carried out by a Registered Training Organisation.

16.2.3 Each individual manager/supervisor will be responsible for recognising when new skills or knowledge are required in his/her operational area. The Training Manager shall make arrangements to provide adequate training. The details are recorded on a Training Request Form (F 1601A), and forwarded to the Training Manager for action.

16.3 ON-GOING EVALUATION (current staff)

16.3.1 On-going evaluation or PD may be determined as a result of either internal audits or Managers reviewing employee's performance.

16.3.2 Specific training needs may be identified by employees by completion of a Training Request Form (F 1601A).

16.3.3 Management meetings also may identify training needs.

16.4 EMPLOYEE INDUCTION (new staff)

16.4.1 General requirements and responsibilities for new employees are covered during their initial induction. This induction is given by one of the Management Team.

16.4.2 New employees are inducted in accordance with the Induction Checklist (F 1601C). This is in addition to specific training requirements for their particular job.

16.5 RECORDS

16.5.1 All training must be recorded on the employee's individual training records held by the Training Manager. Form (F 1601B)

16.5.2 The Managing Director decides if other records are to be maintained. (Health, resumes, certificates etc)

Attachments:

Training Request Form	F 1601A	
Training Record	F 1601B	
Induction Checklist	F 1601C	
Training Matrix	F 1601D	(to be developed)

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PURCHASE ORDER

PO No: **2061** Date: **06/12/2020**

Supplier / Sub-Contractor: **PRG Printing Services**

Address: **25 Smith Street, Collingwood VIC 3066**

Items to be supplied: **Business cards as per sample supplied (Dave Peters)**

Quantity: **5000** Size: **90 X 55 mm**

Part No: **N/A** Price: **$4,200.00**

Special Instructions: **Gloss finish with full solid colour on reverse**

(as per supplied artwork)

Purchasing Manager:

Managing Director: *P. Jones*

F 301 B

GMS

PURCHASE ORDER

PO No: **2064** Date: 06/12/2020

Supplier / Sub-Contractor: Officeworks Blackwood

Address: 3452 Southeast Highway, Blackwood QLD, 4015

Items to be supplied: **10 off HP 465, 20 off HP460, 20 off HP 470 cartridges.**

Quantity: As above Size: N/A

Part No: N/A Price: $4,900.00

Special Instructions: **Approval by MD only**

Purchasing Manager: _____

Managing Director: *P. Jones*

F 301 B

GMS

PURCHASE ORDER

PO No: **2062** Date: 07/12/2020

Supplier / Sub-Contractor: JRS Consulting Services

Address: 100 Pitt Street Sydney NSW 2000

Items to be supplied: Advertising & recruitments services for new Compliance Manager

Quantity: 1 position Size: 200X200 mm page 2 advert

Part No: NA Price: $985.00

Special Instructions: as per phone call with Heather

Purchasing Manager: *H. Smith*

Managing Director: _____

F 301 B

GMS

PURCHASE REQUISITION

(Please ensure all details are included)

Required Items: **Business cards for Dave Peters**

Compliance Manager: (must sign for non-approved suppliers) *David Peters*

Price (if known) **$4,200 (approx.)** Supplier (if known) **PRG**

Requesting Manager: *David Peters* Managing Director: *P. Jones*

(internal use only)

F 301 A

PO # 2064

GMS

PURCHASE REQUISITION

(Please ensure all details are included)

Required Items: General stationery supplies as required

10 off HP 465, 20 off HP460, 20 off HP 470 cartridges.

Compliance Manager: (non approved suppliers) _____

Price (if known) **$5000 approx** Supplier (if known) **Officeworks**

Requesting Manager: *B Smith* Managing Director: *P. Jones*

(internal use only) F 301 A

GMS

PURCHASE REQUISITION

(Please ensure all details are included)

Required Items: Recruitment of single employee, including ad design and interview

_____

Compliance Manager: (non approved suppliers) _____

Price (if known) Approx $1,000.00 Supplier (if known) JRS have been recommended

Requesting Manager: R Records Managing Director: P. Jones

(internal use only) F 301 A

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Purchase Order Computer Report

P.O. No	SUPPLIER	ITEMS	QTY	$	DATE
2055	PBL	Job Adverts	Feb-March	25,500.00	04/04/20
2056	SAACB	Certification Audits	Annual	2,400.00	04/04/20
2058	Towndoor	Cleaning	N/A	285.00	05/04/20
2059	MegaByte	IT Upgrades	10	5,500.00	05/04/20
2061	PRG	Business Cards	5000	4,200.00	06/12/20
2062	JRS	Personnel Services	N/A	985.00	07/12/20
2063	MWC	Project Management	1	25,500.00	06/04/21
2064	Officeworks	Photographic Supplies	Various	$5,000/month	06/12/20
2065	APPP	Recycling	Various	$1200.00	06/04/21
2066	AICD	Director PD	March	$2560.00	06/04/21
2067	Santos	Green House Gas SCADA	Ongoing	$5,000/month	07/04/21
2068	Agrifood Tech	Agriculture Data Surveys	Ongoing	Per Project	07/04/21
2069	Violia	Water Data Management	Ongoing	$5,000/month	07/04/21
2070	BOM	Education	Ongoing	$1500.00	07/04/21
2071	CFA	Emergency Management		$2500.00	08/04/21

F301C

GMS

Approved Suppliers & Sub Contractors List

SUPPLIER	COMMENTS	DATE	APPROVED
SAACB	Certification	Sept 20	H. Smith
Ergon	Electricity Supply	Sept 20	H. Smith
GMS Training	Auditor Training	Feb 20	H. Smith
Olex	HV Cables	Feb20	H. Smith
DEPI	Animal Welfare, Plant Stds	Feb 20	H. Smith
Ferntree Print	Brochures, Typesetting, Printing	Feb 21	H. Smith
Officeworks	Stationery Supplies	Feb 21	H. Smith
Towndoor	Building Maintenance		
GMS	Training	Feb 21	H. Smith
Seawise	Shipbroking		
ARRB	Climate Research	May 21	H. Smith
Violia	Water	July 21	H. Smith
Santos	Green House Gas SCADA	July 21	H. Smith
BHP	Gold &Nickel	July 21	H. Smith
SITA	Environmental Services	July 21	H. Smith
M.Byte	Computer Services	July 21	H. Smith
Dept of Defence	Support Services	July 21	H. Smith
Qantas	Air Travel	July 21	H. Smith
Skytrans	Air Charters	July 21	H. Smith
ISO	Standards & publications	July 21	H. Smith
Aurecon	Consulting Engineering	July 21	H. Smith
CASA	Aviation Regulation	July 21	H. Smith
Bombardier	Transportation	July 21	H. Smith
Nestlé	Food Products	Sept 21	H. Smith
Goondir Health Services	Health Services	Sept 21	H. Smith
LendLease	Construction Management	Sept 21	H. Smith

☐ Internal Audit
✓ Manager's Review
☐ Employee Request
☐ Meeting Outcome

GMS

TRAINING REQUEST

Employee Name: **Dave Peters** Date: 10th May 2021

Position: Compliance Manager

Training need identified: Basic refresh of computer programs and back up processes

Reason: Refresher training needed

Preferred training (eg internal, external, in-house): Local TAFE

Course Title: Introduction to Microsoft Office

Course Venue: GOTAFE Date: 15th May 2021

Attachments?: No

==========

To be completed and signed by Dept Manager

Name of Manager: Simon Garlick

Department: CEO

Training recommended

Recommended training option: GOTAFE first available course

Comments: NIL

Signed: *S Garlick* Date: 10th May 2021

QAF 1601A

☐ Internal Audit
✓ Manager's Review
☐ Employee Request
☐ Meeting Outcome

GMS

TRAINING REQUEST

Employee Name: **Margaret Johnston** Date: 10th June 2021

Position: Sationery Operator

Training need identified: Bar Coding

Reason: Margaret is not up to date with latest technology used

Preferred training (eg internal, external, in-house): In-house

Course Title: N/A Training to be provided by Bec Egan (in-house trainer)

Course Venue: Workplace Date: 12th June 2021

Attachments?: _____NIL_____

==========

To be completed and signed by Department Manager

Name of Manager: Rachel Lopez

Department: Operations

Training recommended

Recommended training option: as above

Comments:

_____

_____

_____

Signed: *Rachel Lopez* Date: 10th June 2021

QAF 1601A

☐ Internal Audit

☐ Manager's Review

✓ Employee Request

☐ Meeting Outcome

GMS

TRAINING REQUEST

Employee Name: **Rhonda Records** Date: 15th August 2021

Position: Office Manager

Training need identified: First Aid Training

Reason: Interest shown, might be needed in office area

Preferred training (eg internal, external, in-house): External

Course Title: Cert I in Basic first Aid

Course Venue: St Johns Ambulance (Local) Date: tba

Attachments?: _____NIL_____

==========

To be completed and signed by Dept Manager

Name of Manager: Simon Garlick

Department: CEO

Training Recommended

Recommended training option: Local First Aid (St Johns)

Comments:

_____

_____

Signed: *S Garlick* Date: 16th August 2021

QAF 1601A

GMS

TRAINING RECORD

Employee Name: **Dave Peters** Date: 14th May 2021

Position: Compliance Manager

Title of course / training: Introduction to Microsoft Office

Date attended / conducted: 15th May 2019 Cost: $550 plus GST

Venue: GOTAFE, Shepparton Duration: 8 hours

Form of assessment: examination

Assessment satisfactory: yes Comments: Dave enjoyed the course

Assessor: as per TAFE certificate Date: 16th May 2021

==========

To be completed and signed by HR / Training Manager

Was the course worthwhile?: Yes, Dave passed the exam and now feels confident.

Should we send others: Only if training is needed for others

Was the training methods appropriate?: Yes, competency based assessment

Comments: NIL

Copy of certificate given to Training Manager? Yes

Signed: *S Garlick* Date: 16th May 2021

F 1601B

GMS

TRAINING RECORD

Employee Name: **Margaret Johnston** Date: 12th June 2021

Position: Sationery/ADMIN

Title of course / training: Awareness of new SAP bar coding system

Date attended / conducted: 12th June 2019 Cost: not applicable (2 hours)

Venue: Meeting room 1 Duration: 2 hours

Form of assessment: Questions from Bec and observation of bar coding activities.

Assessment satisfactory: yes Comments: _____

Margaret is now comfortable with our new systems

Assessor: Bec Date: 12th June 2021

==========

To be completed and signed by HR / Training Manager

Was the course worthwhile?: ✓

Should we send others: ✓

Was the training methods appropriate?: ✓

Comments: As above

Copy of certificate given to Training Manager? NA

Signed: S Garlick Date: 12th June 2021

F 1601B

GMS

TRAINING RECORD

Employee Name: **Rhonda Records** Date: 20th August 2021

Position: Office Manager

Title of course / training: Cert II in First Aid Principles

Date attended / conducted: 19th August 2019 Cost: $345.00

Venue: St John Ambulance (School Hall) Duration: 4 hours

Form of assessment: Practical demonstration of wound management, CPR, use of bandages & slings.

Assessment satisfactory?: yes Comments: Competent

Assessor: Bill Blogs (St John Officer 5927) Date: 19th August 2021

==========

To be completed and signed by HR / Training Manager

Was the course worthwhile?: Yes

Should we send others: Yes

Was the training methods appropriate?: Yes, (RTO)

Comments:

Copy of certificate given to Training Manager? Yes (Statement of Attainment)

Signed: *S Garlick* Date: 20th August 2021

F 1601B

GMS

INDUCTION CHECKLIST

Induction Training for **Dave Peters** Date Started 12th February 2017

Please ensure that all points are appropriately covered

A	Reception	1 GS	Met at reception by **Tom**
		2 GS	Introductions
		3 GS	Background to company
		4 GS	Corporate video
B	Office/Factory	5 GS	Toilets and lockers
	Layout	6 GS	Entrances and exits to be used
		7 GS	Lunch/Canteen
		8 GS	Notice boards
C	Department	9 GS	Department function
		10 GS	New starters own job
		11 GS	Supervision
		12 GS	Colleagues
		13 GS	Standards of work expected
		14 GS	Office hours
D		15 GS	Discipline Procedures
		16 GS	Training requests should be made to the Dept Manager
		17 GS	Performance appraisals
		18 GS	Means of advancement of Health and Safety
		19 GS	Health and Safety & Environment Policy
		20 GS	Safety Hazards - general/particular to type of work
		21 GS	Housekeeping/tidiness, clear corridors/gangways
		22 GS	Fire - causes and prevention
		23 GS	Location of firefighting equipment, fire drill
		24 GS	Use of extinguishers
		25 GS	First Aid box location
		26 GS	First aider
		27 GS	Accident reporting
		28 GS	Rehabilitation programme
		29 GS	Protective clothing
F	Company Rules	30 GS	Misconduct - examples and company response
		31 GS	Disciplinary procedures
		32 GS	Grievance procedures
		33 GS	Appeals
G	Employee Involvement	34 GS	Trade Unions
H	Quality Assurance	35 GS	Quality Policy
		36 GS	ISO 9001
I	General	37 GS	Telephone calls - in and out
		38 GS	Use of telephone - hold & transfer
J	Administration	39 GS	Equal Opportunity Policy
		40 GS	Employee profile form
		41 GS	Tax Declaration Form
		42 GS	Industry Superannuation

Signed: Department Manager G Santos Employee D Peters Date 15/02/2017

F1600C

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INDUCTION CHECKLIST

Induction Training for **Margaret Johnston** Date Started 9th December 2020

Please ensure that all points are appropriately covered

A	Reception	1	Met at reception by **Mary**
		2	Introductions
		3	Background to company
		4	Corporate video
B	Office/Factory	5	Toilets and lockers
	Layout	6	Entrances and exits to be used
		7	Lunch/Canteen
		8	Notice boards
C	Department	9	Department function
		10	New starters own job
		11	Supervision
		12	Colleagues
		13	Standards of work expected
		14	Office hours
D		15	Discipline Procedures
		16	Training requests should be made to the Dept Manager
		17	Performance appraisals
		18	Means of advancement of Health and Safety
		19	Health and Safety & Environment Policy
		20	Safety Hazards - general/particular to type of work
		21	Housekeeping/tidiness, clear corridors/gangways
		22	Fire - causes and prevention
		23	Location of firefighting equipment, fire drill
		24	Use of extinguishers
		25	First Aid box location
		26	First aider
		27	Accident reporting
		28	Rehabilitation programme
		29	Protective clothing
F	Company Rules	30	Misconduct - examples and company response
		31	Disciplinary procedures
		32	Grievance procedures
		33	Appeals
G	Employee Involvement	34	Trade Unions
H	Quality Assurance	35	Quality Policy
		36	ISO 9001
I	General	37	Telephone calls - in and out
		38	Use of telephone - hold & transfer
J	Administration	39	Equal Opportunity Policy
		40	Employee profile form
		41	Tax Declaration Form
		42	Industry Superannuation

Signed: Department Manager *S Garlick* Employee *M Johnston* Date 09/12/20

F1600C

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INDUCTION CHECKLIST

Induction Training for **Rhonda Records** Date Started 28th March 2020

Please ensure that all points are appropriately covered

A	Reception	1✓	Met at reception by ----------
		2✓	Introductions
		3✓	Background to company
		4✓	Corporate video
B	Office/Factory	5✓	Toilets and lockers
	Layout	6✓	Entrances and exits to be used
		7✓	Lunch/Canteen
		8✓	Notice boards
C	Department	9✓	Department function
		10✓	New starters own job
		11✓	Supervision
		12✓	Colleagues
		13✓	Standards of work expected
		14✓	Office hours
D		15✓	Discipline Procedures
		16✓	Training requests should be made to the Dept Manager
		17✓	Performance appraisals
		18✓	Means of advancement of Health and Safety
		19✓	Health and Safety & Environment Policy
		20✓	Safety Hazards - general/particular to type of work
		21✓	Housekeeping/tidiness, clear corridors/gangways
		22✓	Fire - causes and prevention
		23✓	Location of firefighting equipment, fire drill
		24✓	Use of extinguishers
		25✓	First Aid box location
		26✓	First aider
		27✓	Accident reporting
		28✓	Rehabilitation programme
		29✓	Protective clothing
F	Company Rules	30✓	Misconduct - examples and company response
		31✓	Disciplinary procedures
		32✓	Grievance procedures
		33✓	Appeals
G	Employee Involvement	34✓	Trade Unions
H	Quality Assurance	35✓	Quality Policy
		36✓	ISO 9001
I	General	37✓	Telephone calls - in and out
		38✓	Use of telephone - hold & transfer
J	Administration	39✓	Equal Opportunity Policy
		40✓	Employee profile form
		41✓	Tax Declaration Form
		42✓	Industry Superannuation

Signed: Department Manager *G Santos* Employee *R. Records* Date 28/03/20

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Training Matrix

EMPLOYEE	Date Started	Induction	Job Title	First Aid	Computer System	Frontline Management	Training Assessor
Dave Peters	12/2/2017	✓	Compliance Manager	✓	✓	✓	✓
Rhonda Records	28/3/2020	✓	Office Manager	✓	✓	✓	
Heather Smith	26/3/2003	✓	Finance		✓	✓	
Simon Garlick	20/6/2012	✓	CEO	✓	✓	✓	
Rachel Lopez	23/4/2012	✓	Ops Manager		✓	✓	
Loren Gray	31/7/2012	✓	Data Security		✓	✓	
Bec Egan	20/8/2014	✓	Trainer	✓	✓		✓
Robert Lee	10/1/2014	✓	Business Systems	✓	✓		✓
Corinne Anderson	28/8/2014	✓	Admin		✓		
Pam Kruse	16/9/2015	✓	Client Survey		✓		✓
Margaret Johnston	9/12/2020	✓	Stationery/Admin		✓		
Carol Hillsdon	9/12/2015	✓	Client Data	✓	✓		

November 2019
F1601D

BIBLIOGRAPHY

ISO 9001:2015	Quality management systems – Requirements
ISO 45001:2018	Occupational Health and Safety Systems — Requirements with guidance for use.
ISO 14001:2015	Environmental management systems - Requirements with guidance for use
ISO 19011:2018	Guidelines for auditing management systems
ISO 17025:2018	General requirements for the competence of testing & calibration laboratories
ISO 22000:2018	Food safety management systems – Requirements for any organisation in the food chain.

ALTERATION STATUS

Initial Release of updated version	30 March 1998
Mod to page 5 re new issue of QS9000	1 August 1998
Altered title of forms on pages 37-41	13 May 1999
Reformatted pages	4 September 1999
Addition of AS 4801 requirements	11 February 2000
Update for ISO 9001:2000 Standard	16 January 2001
Improved audit report example and case study activities	10 October 2001
Amended QSA contact phone numbers	12 February 2002
Altered AS 4801 from 2000 to 2001 version	12 February 2002
Course Updated	31 May 2002
Change of course title	1 June 2003
Addition of Process Based audit techniques	28 February 2004
Addition of AS 9100 Aerospace requirements	1 September 2004
Change of QSA to RABQSA	13 January 2005
Changes to ISO 14001:2004	13 January 2005
Major course upgrade	1st February 2006
Course upgraded and altered to match new competency units	1st September 2007
Course upgraded to include upgrade of competency unit	13th March 2008
Addition of competency unit and changes to ISO 9001	1st January 2009
Deletion of competency unit (BSBAUD401A)	1st December 2009
Course updated & revised	1st January 2011
Revised logos re introduction of the ASQA	1st July 2011
Update to ISO 19011 Standard	1st January 2012
Replace ISO 16949 with ISO 17025	1st February 2015
Updated ISO 9001 & 14001 audit requirements & deleted AS9000	1st October 2015
Updated audit requirements for 17025, 22000 & 45001	1st August 2019
Reviewed all content (minor changes)	1st August 2019
Modified for online use	1st April 2020
Modified for online use (amendment)	1st August 2020
Modified for WMO use	1st October 2021

For Further Information contact:

Geoff Gray, Director
Gray Management Systems Pty Ltd
ACN 073 631 268
ABN 15 073 631 268

PO Box 2355
North Ringwood, Victoria, Australia 3134

Phone: 61 3 9876 5152
Mobile: +61 3 417 353 182
e-mail: geoff@grayms.com.au

www.grayms.com.au

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