

Project Quality Management

Prepared by Dr. Ehab Mahmoud

PMG 354
Quality Auditing

Lecture 02



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Lecture 2

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Objectives



At the end of this lecture, we expect to acquire a knowledge about one of the most effective quality assurance tools by which all project phases can effectively implemented and gain the intended outcomes.



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Contents

- What does AUDIT mean ?
- Types of Audit
- Auditing Principles
- Auditor Attributes
- Stages of Audit
- Audit Planning
- Audit Preparation
- Conducting the Audit
- Generate the Audit Finding
- Reporting the Audit

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What does AUDIT mean ?

definition



AUDIT

systematic, independent and documented process for obtaining objective evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled

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What does AUDIT mean ?

definition



AUDIT SCOPE

extent and boundaries of an audit

definition



AUDIT CRITERIA

set of policies, procedures or requirements used as a reference against which objective evidence is compared

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Types of Audit

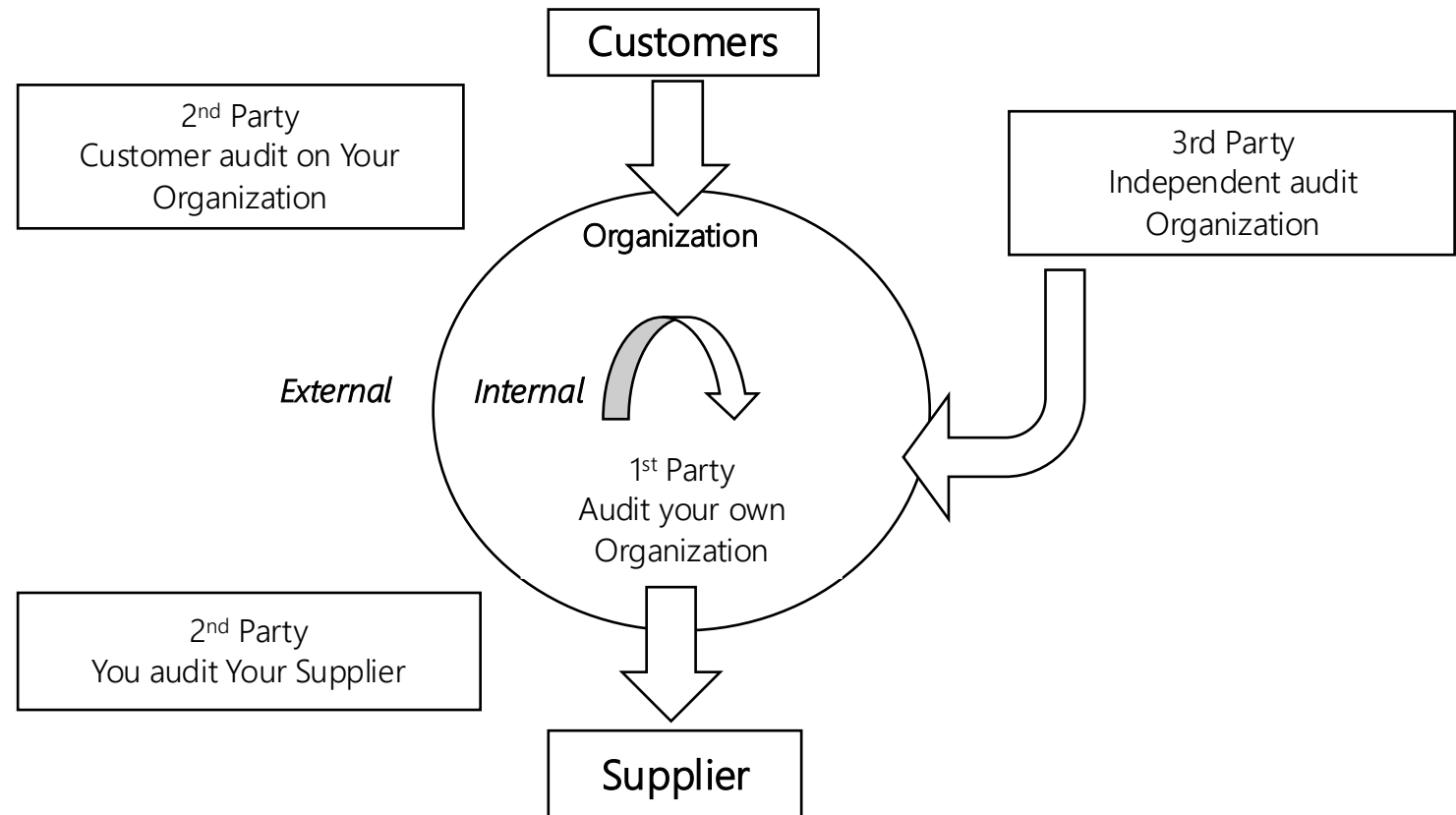
Internal auditing	External auditing	
	Supplier auditing	Third party auditing
Sometimes called first party audit	Sometimes called second party	For legal, regulatory purposes

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Types of Audit

Types of Audit



Auditing Principles

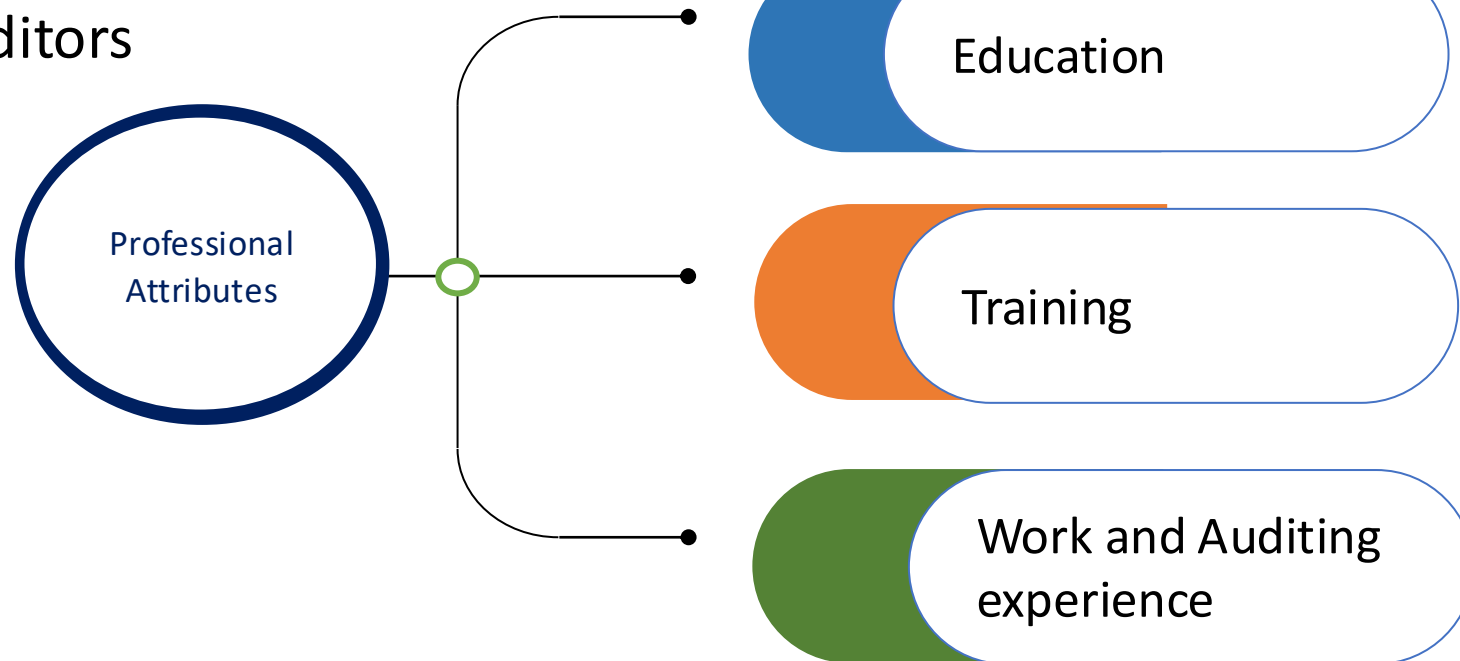


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Auditor Attributes

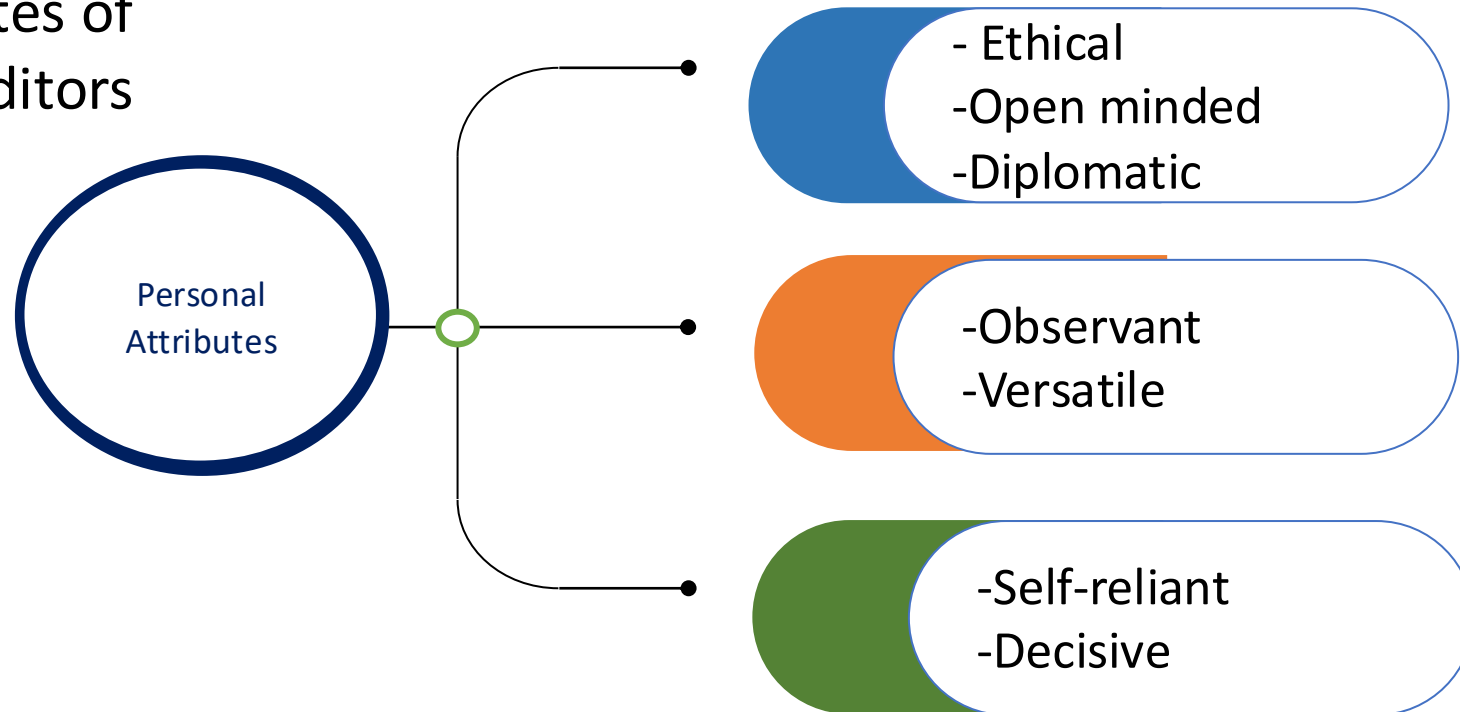
Professional Attributes of Auditors



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Auditor Attributes

Personal Attributes of
Auditors

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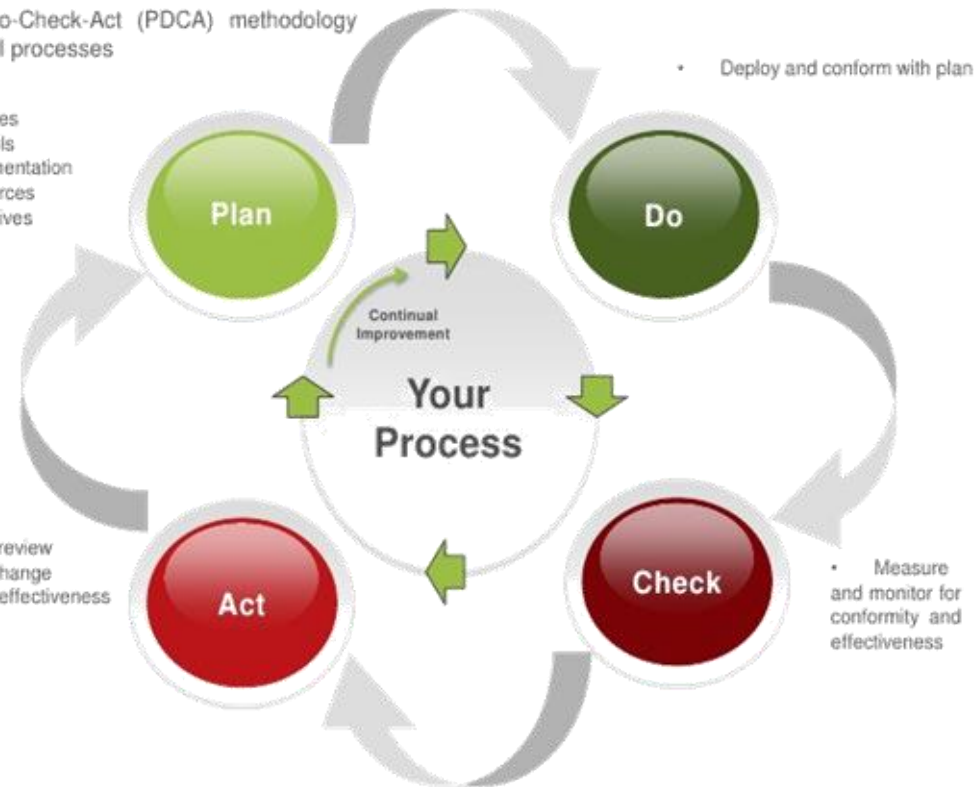
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Stages of Audit

The Plan-do-Check-Act (PDCA) methodology applies to all processes

- Activities
- Controls
- Documentation
- Resources
- Objectives

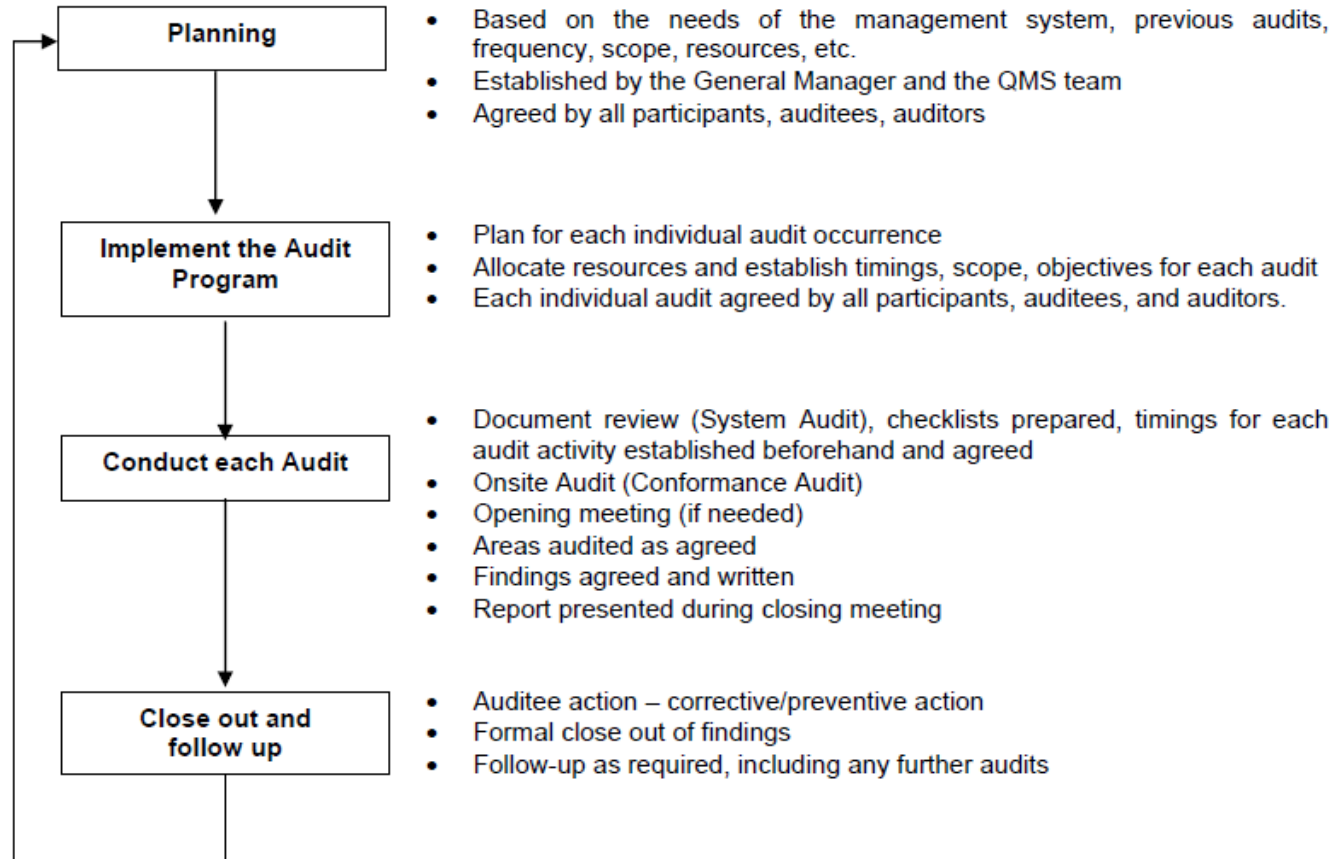
- Analyze/review
- Decide/change
- Improve effectiveness



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Stages of Audit



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Audit Planning



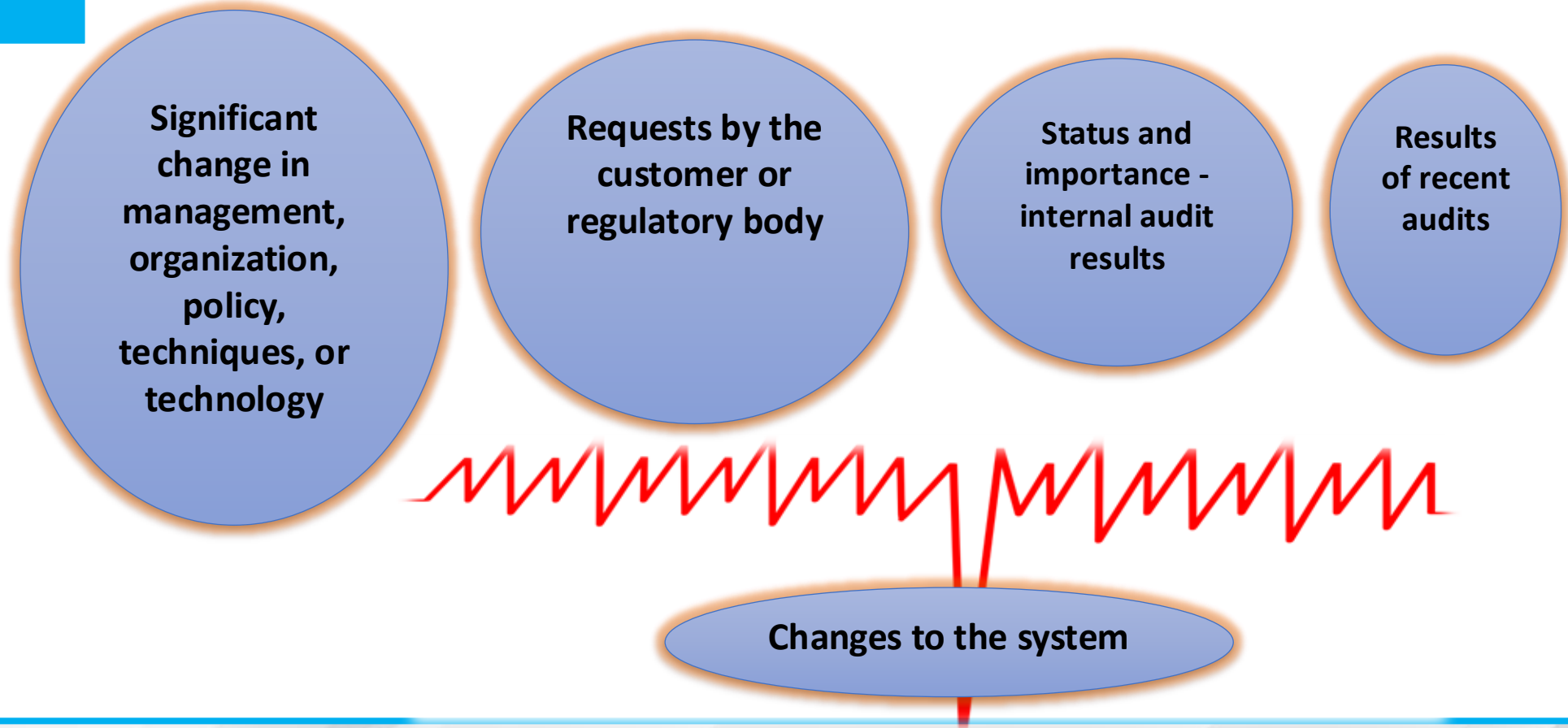
Planning for the Audit

	Audit Program	Audit plan
Definition	An approved document that shows one or more audits that will be conducted at a certain period	An approved document that shows the detailed audit activities
Objectives	It shows the overall planning for upcoming audit activities along the project period	It shows the activities of each audit process and related tasks
Major elements	- Processes being audited - Audit frequency	- Audit Objectives - Audit Scope - Audit Criteria - Description of tasks - Duration of each task - Responsibilities

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Audit Frequency depends on.....



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Audit Preparation



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Audit Preparation

Establishing a Checklist

It is a memory aid



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Audit Preparation

Audit Checklist

Advantages

- Defines a formal audit process
- Helps maintain the pace of audit
- Keeps audit objectives clear
- Serves as an audit record
- Reduces workload on auditor during audit
- Assures auditee of auditor professionalism.
- Provide space for audit notes

Disadvantages

- Can become a tick list
- May be full of yes-no questions
- If not on checklist, will not look at area
- May stifle initiative and process analysis

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Conducting the audit



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Conducting on site Audit Activity

1

Conducting the opening meeting

2

Defining roles & responsibilities of audit participants

5

Communicating during the audit

3

Collecting and verifying information

6

Generating audit findings

4

Preparing audit conclusions

7

Conducting the closing Meeting

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Conducting on site Audit Activity

1

Auditor
Communication
Skills



2

The Audit
Interview



3

Questioning
Techniques



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Conducting on site Audit Activity

Auditor Communication Skills



- Put auditee at ease
- Ask and listen
- Ask short questions
- Show interest in what people want say



Reflect right attitude



- Be tactful and polite
- Watch body language
- Show patience
- Smile and show eye contact



Turn your own problems



- Avoid interruptions and contradictions
- Remember to say please
- Ask the right person
- Give praise when appropriate



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Conducting on site Audit Activity

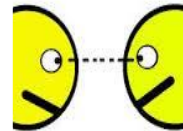
The Audit Interview

The best are those who say the least and have an ability to listen or hear what is being said



right kind of attitude and tone,

Eye-Contact



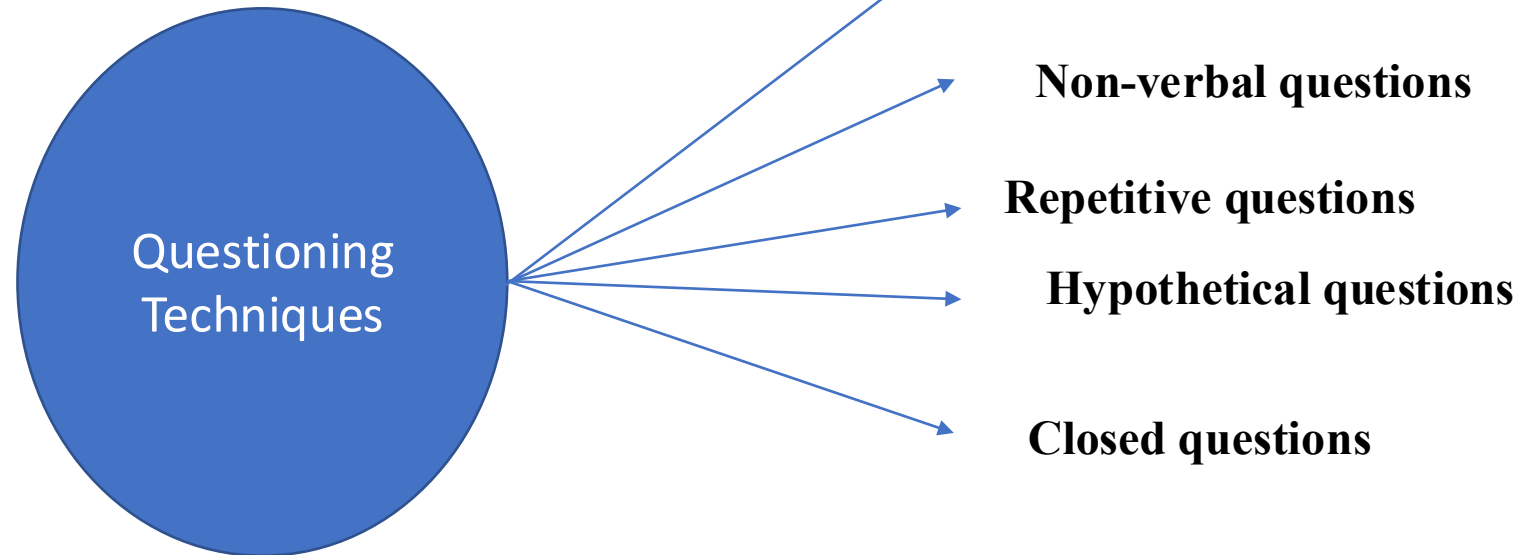
eye contact, along with small verbal acknowledgements,



thank auditee for their help and time, regardless whether it was beneficial or otherwise.

Conducting on site Audit Activity

Questioning Techniques



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Conducting on site Audit Activity

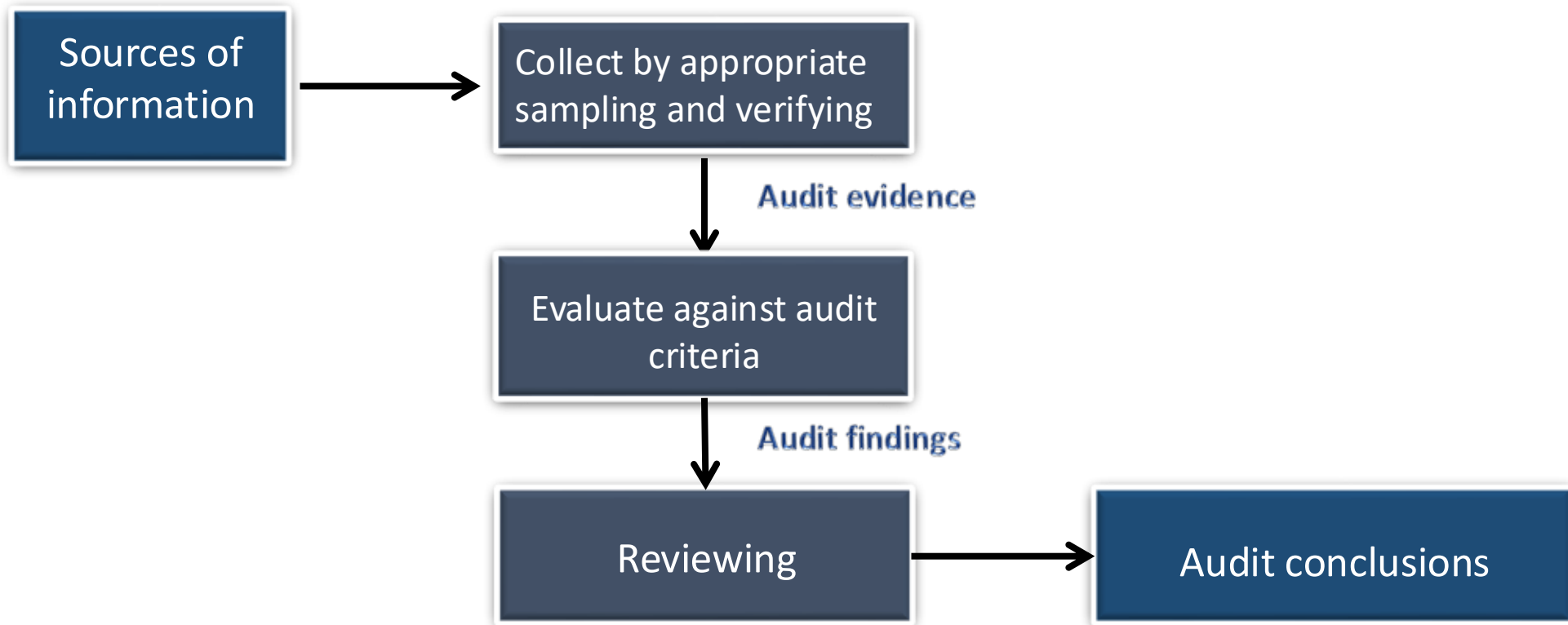
Now time has come for
Collecting and verifying
information

How???



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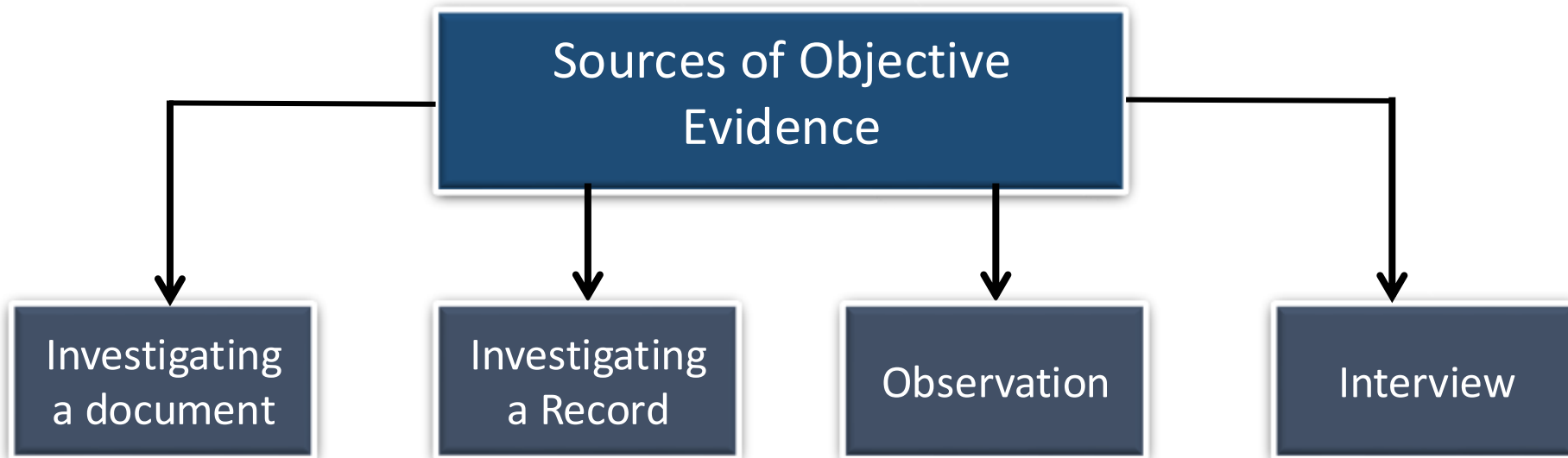
Conducting on site Audit Activity



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Conducting on site Audit Activity



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Generate the audit findings



Audit Finding

Nonconformity

- A condition adverse to Quality
- The non-fulfillment of a requirement

**Opportunity
for
Improvement**

Audit Finding

THREE
REASONS

1. The procedure or defined process does not conform to requirements

2. The procedure or process has not been put into practice in the described way

3. The practice, what is actually done, is not effective (planned results not achieved).

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Rules for the recording of nonconformities

Exact observation of
the facts

Where was it found?

What was found?

Why it is a
nonconformity?

What is the objective
evidence of the
nonconformity?

Who was involved?

Use local terminology.

Make it retrievable

Make it helpful

Rules for the recording of nonconformities

A well-documented nonconformity will have three parts:

Requirement

What shall be done

Given by

- QMS Documentation
- Standard of Specification
- Code of Practice
- Verbal Statement

Nature

Description Showing
it was not done

Based on what the auditor finds

Evidence

Relevant Facts

Such as

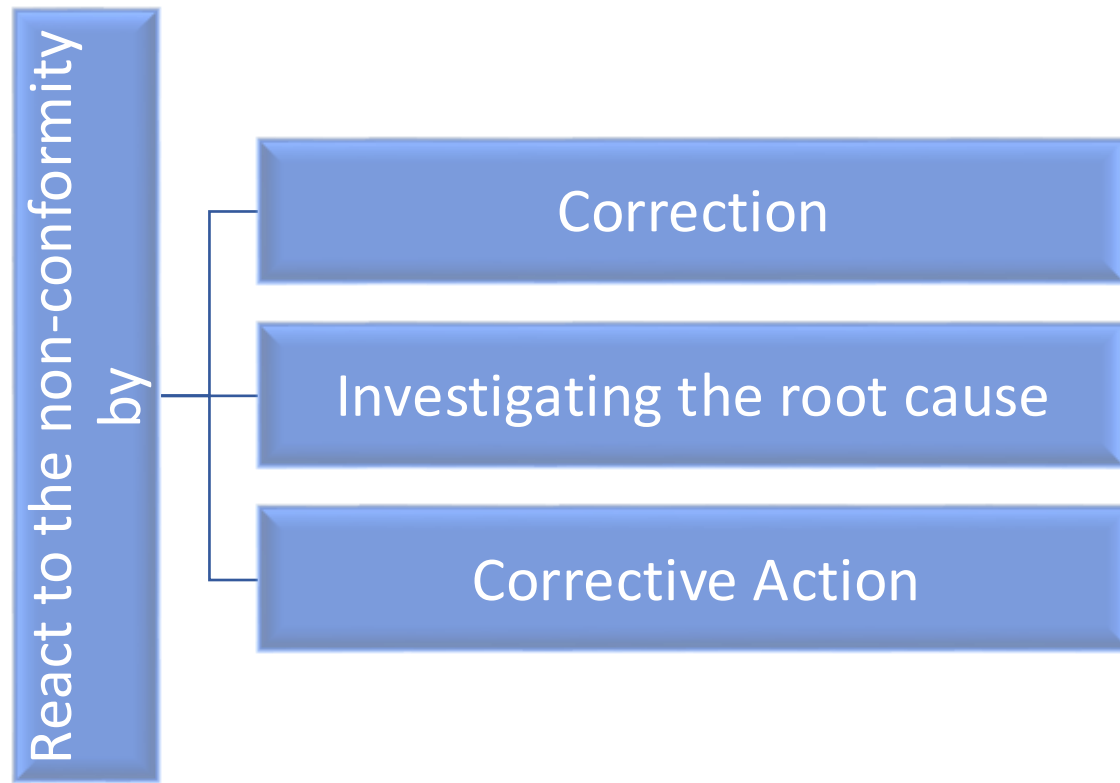
- Time and place
- Identification
- Name or job or title
- Sample size
- Verbal Statement

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Auditee review of actions in response to a Nonconformity

The audited organization should respond be to the nonconformity in three parts :



Auditee review of actions in response to a Nonconformity

Correction

Action to eliminate a detected nonconformity

Corrective action

Action to eliminate the cause of a detected nonconformity or other undesirable situation

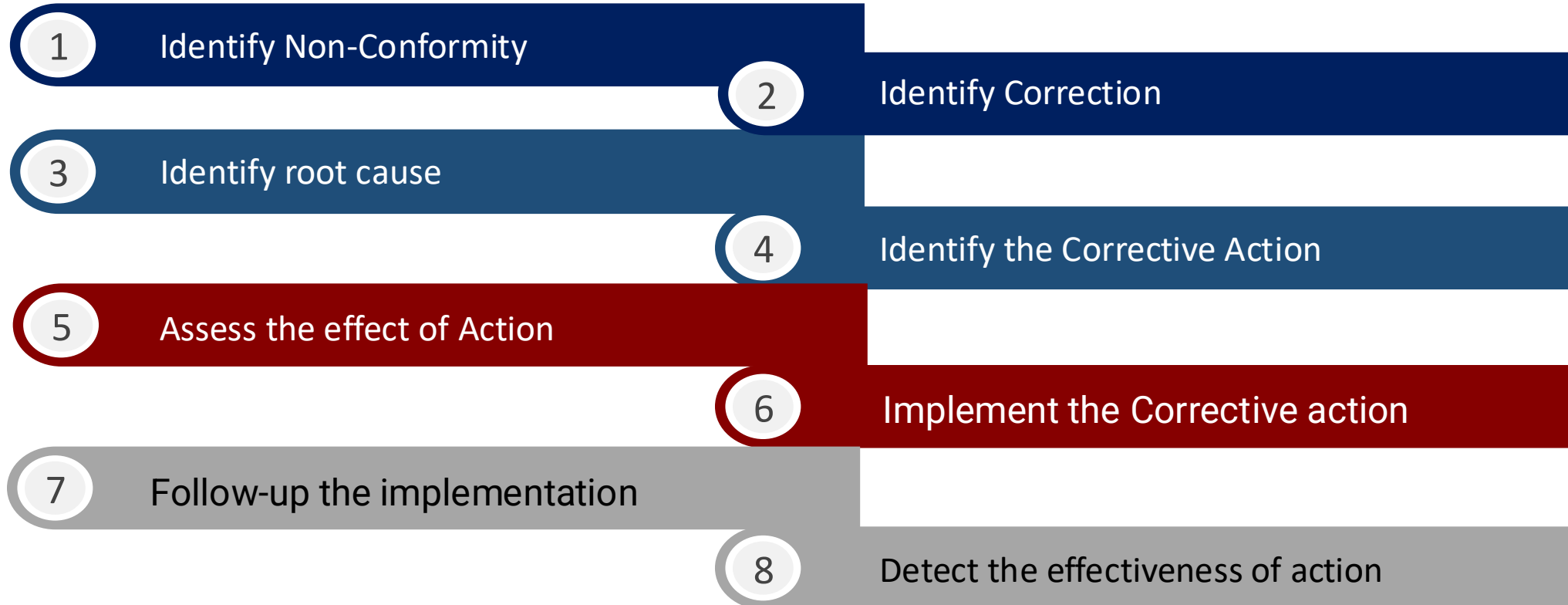
Preventive action

May arise from analysis of data and from lessons learned from corrective actions that may be applied to potential similar situations.

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Corrective Action Cycle



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Reporting the Audit



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Reporting On The Audit and Close-out





Thank You