

Project Quality Management

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Project Quality Management

Lecture 2

PMG354

Quality Auditing

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Lecture

02

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.



Lecture
02

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

Lecture

02

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

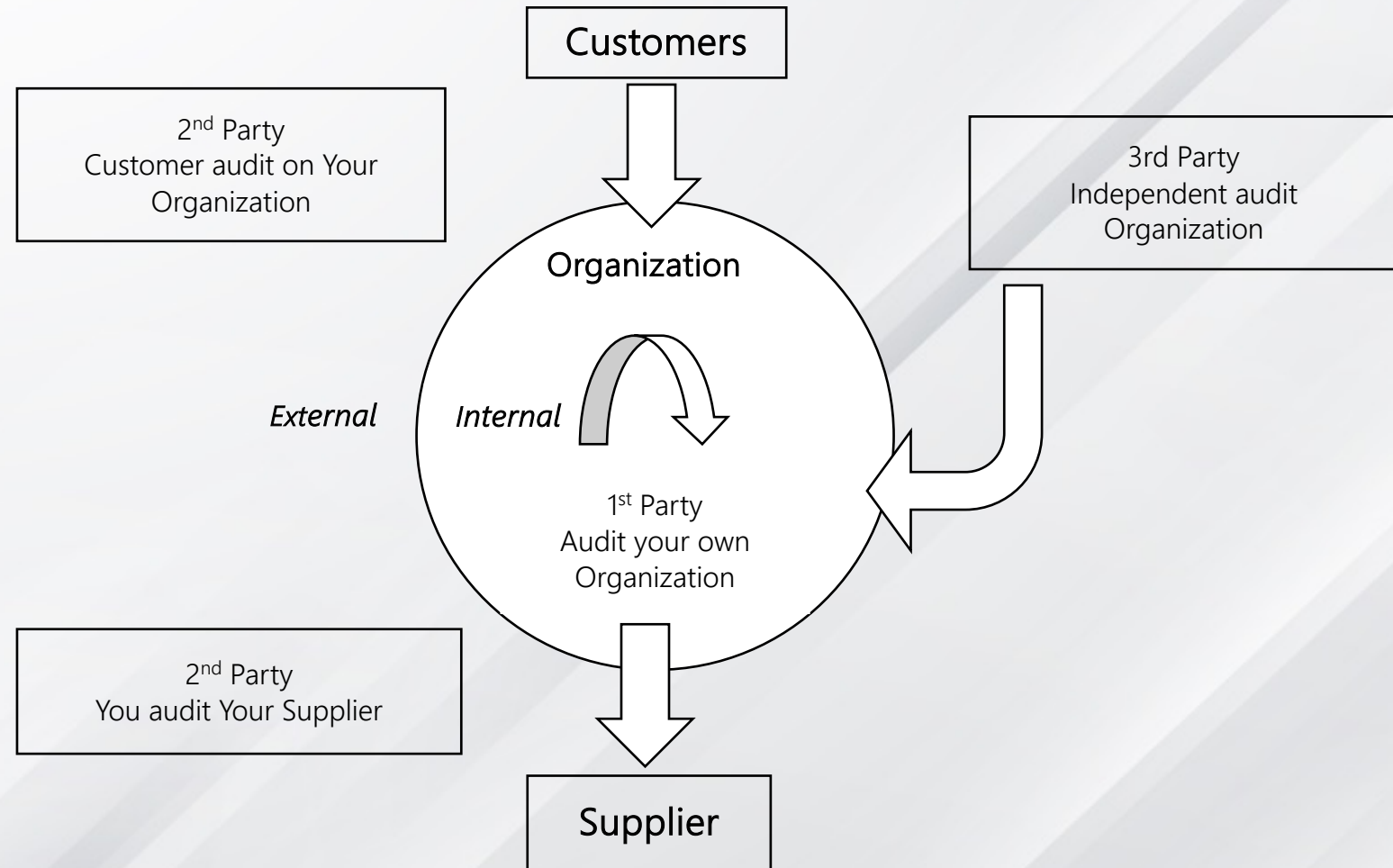
Lecture

02

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

Types of Audit

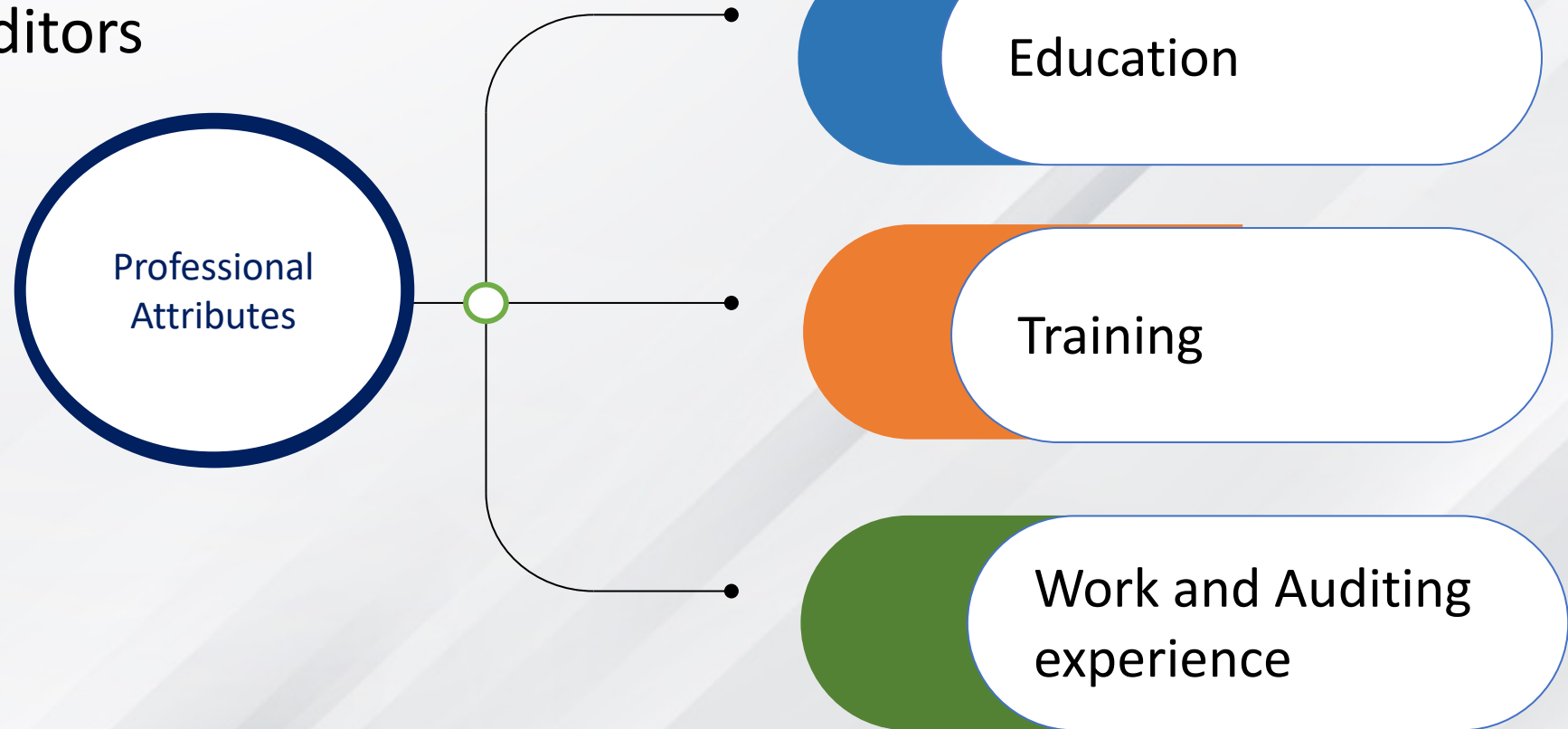


Auditing Principles



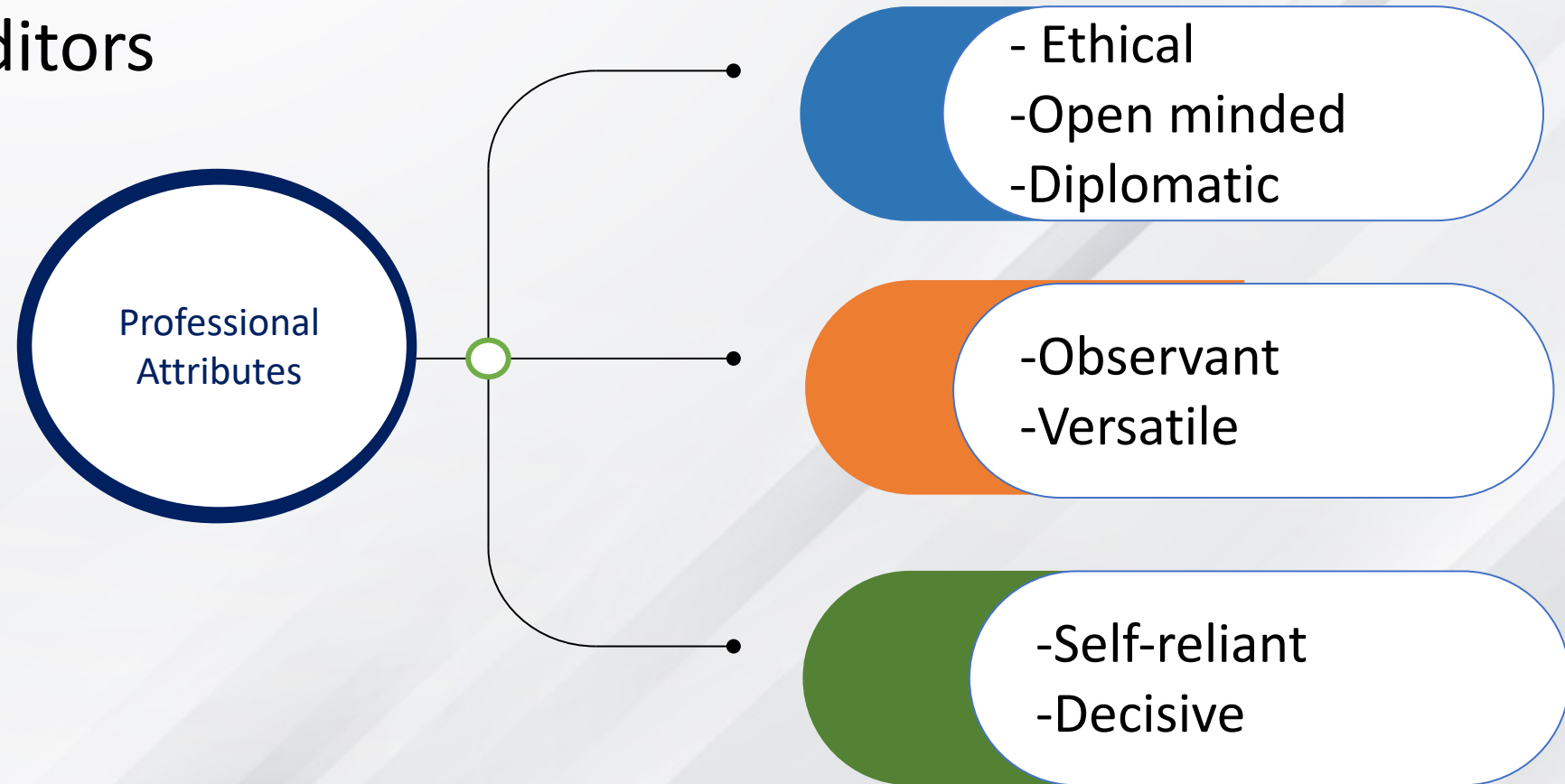
Auditor Attributes

Professional Attributes of Auditors



Auditor Attributes

Personal Attributes of Auditors



Stages of Audit

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

- Activities
- Controls
- Documentation
- Resources
- Objectives

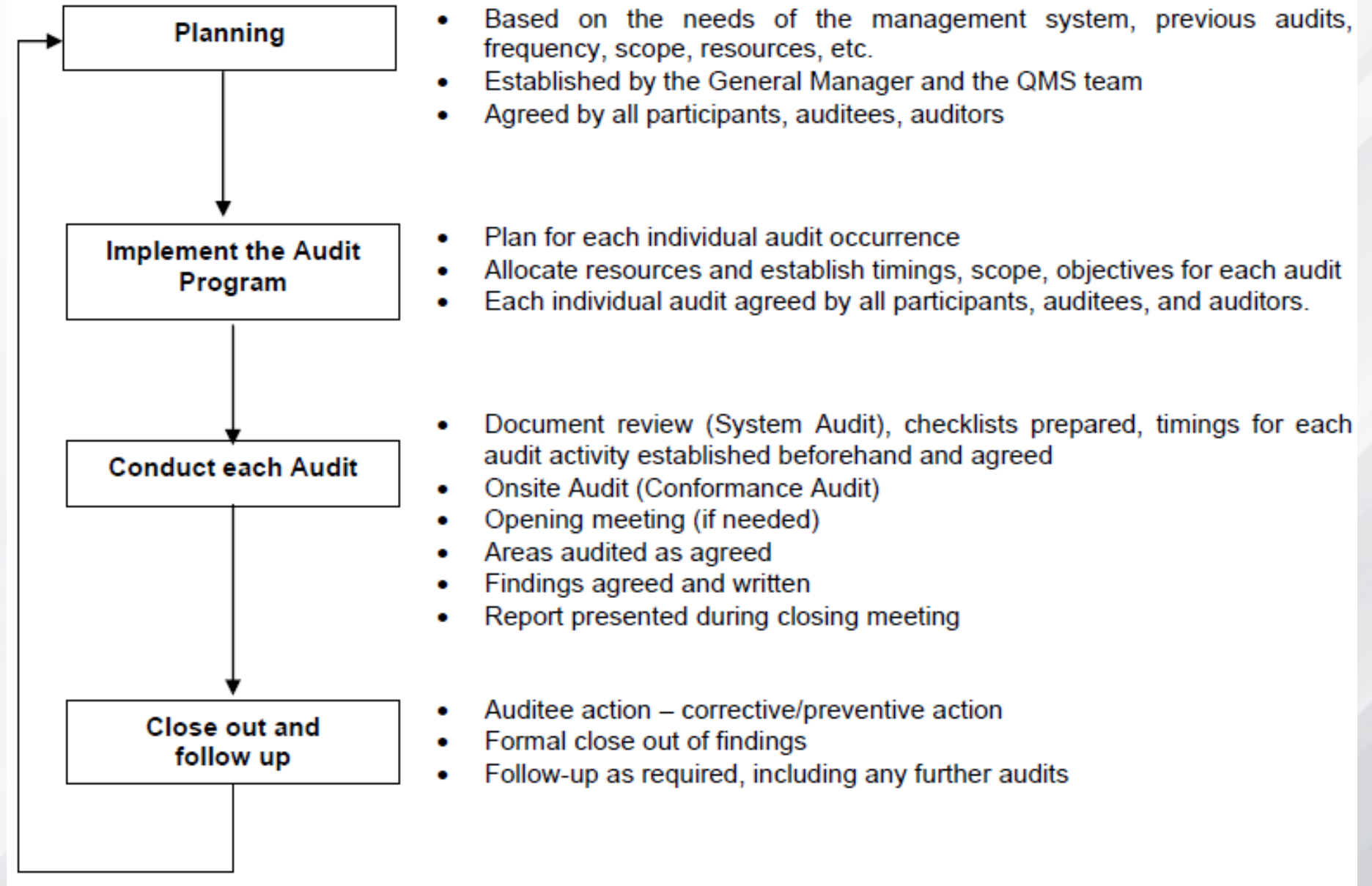
- Analyze/review
- Decide/change
- Improve effectiveness

- Deploy and conform with plan

- Measure and monitor for conformity and effectiveness



Stages of Audit



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

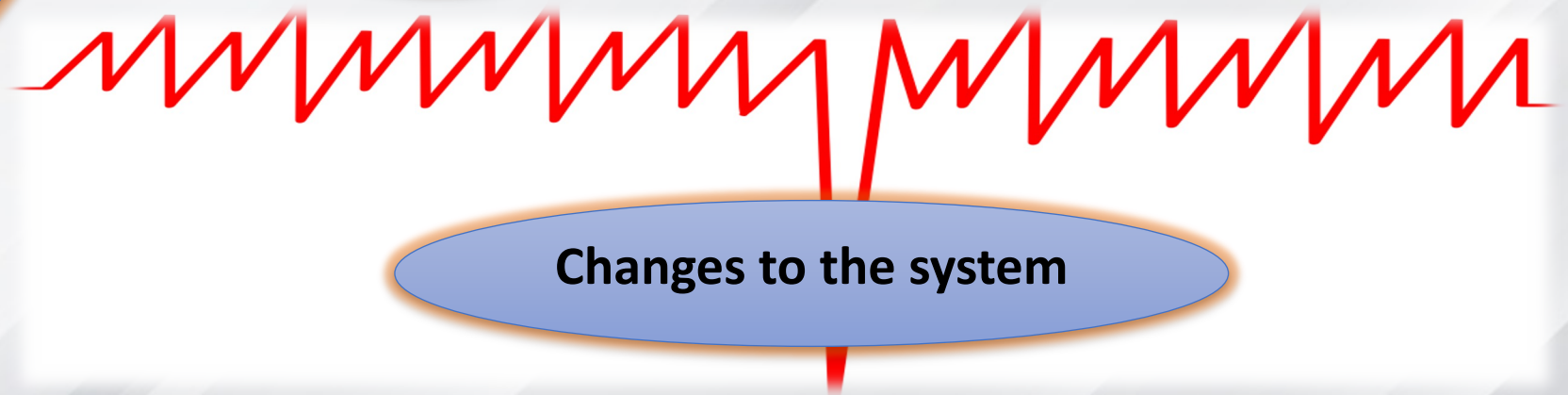
Audit Frequency depends on.....

**Significant
change in
management,
organization,
policy,
techniques, or
technology**

**Requests by the
customer or
regulatory body**

**Status and
importance -
internal audit
results**

**Results
of
recent
audits**



Changes to the system

Audit Preparation



Audit Preparation

Establishing a Checklist

It is a memory aid



Audit Preparation

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

Audit Checklist

Conducting the Audit



Conducting on site Audit Activity



Conducting the opening meeting



Defining roles & responsibilities of audit participants



Collecting and verifying information



Preparing audit conclusions



Communicating during the audit



Generating audit findings



Conducting the closing Meeting

Conducting on site Audit Activity



Auditor
Communication
Skills



The Audit
Interview



Questioning
Techniques



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

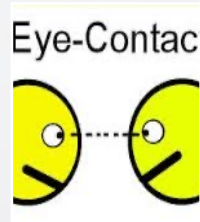
Conducting on site Audit Activity

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,



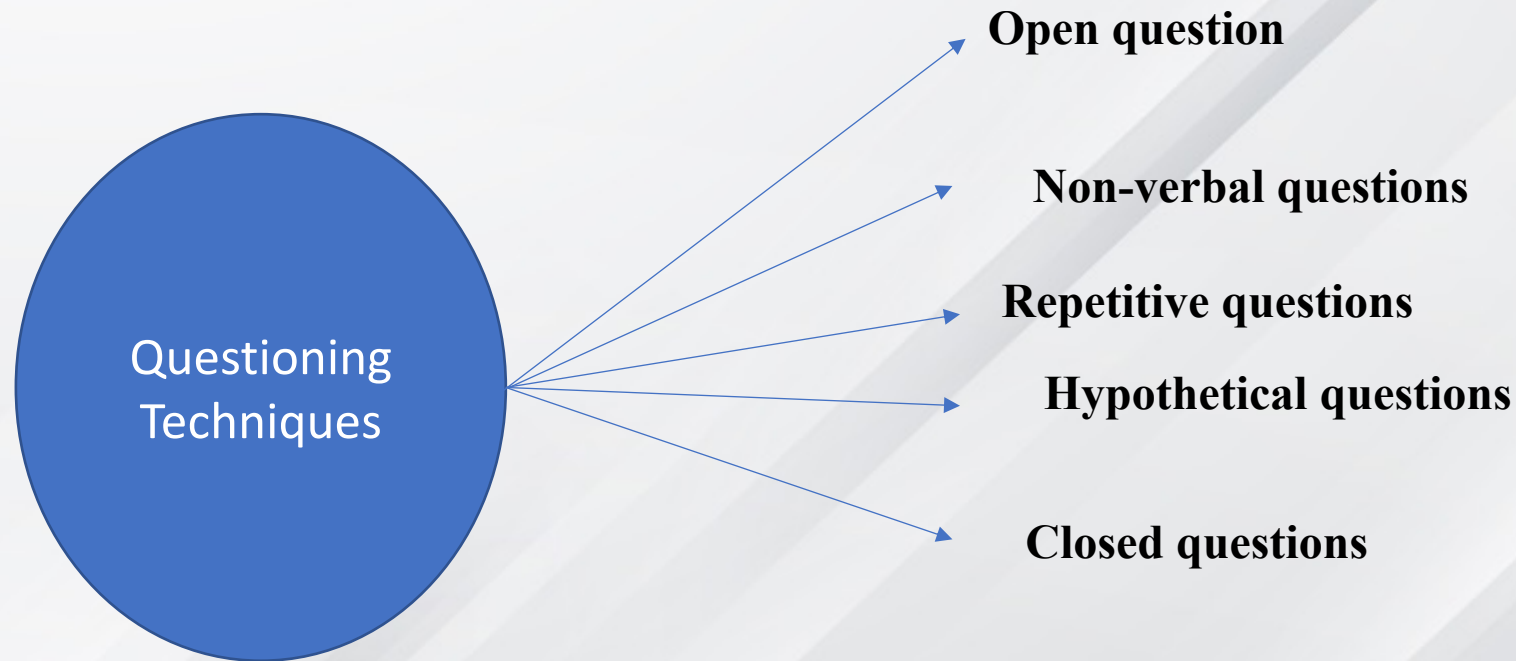
eye contact, along with small verbal acknowledgements,



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

Conducting on site Audit Activity

Questioning Techniques



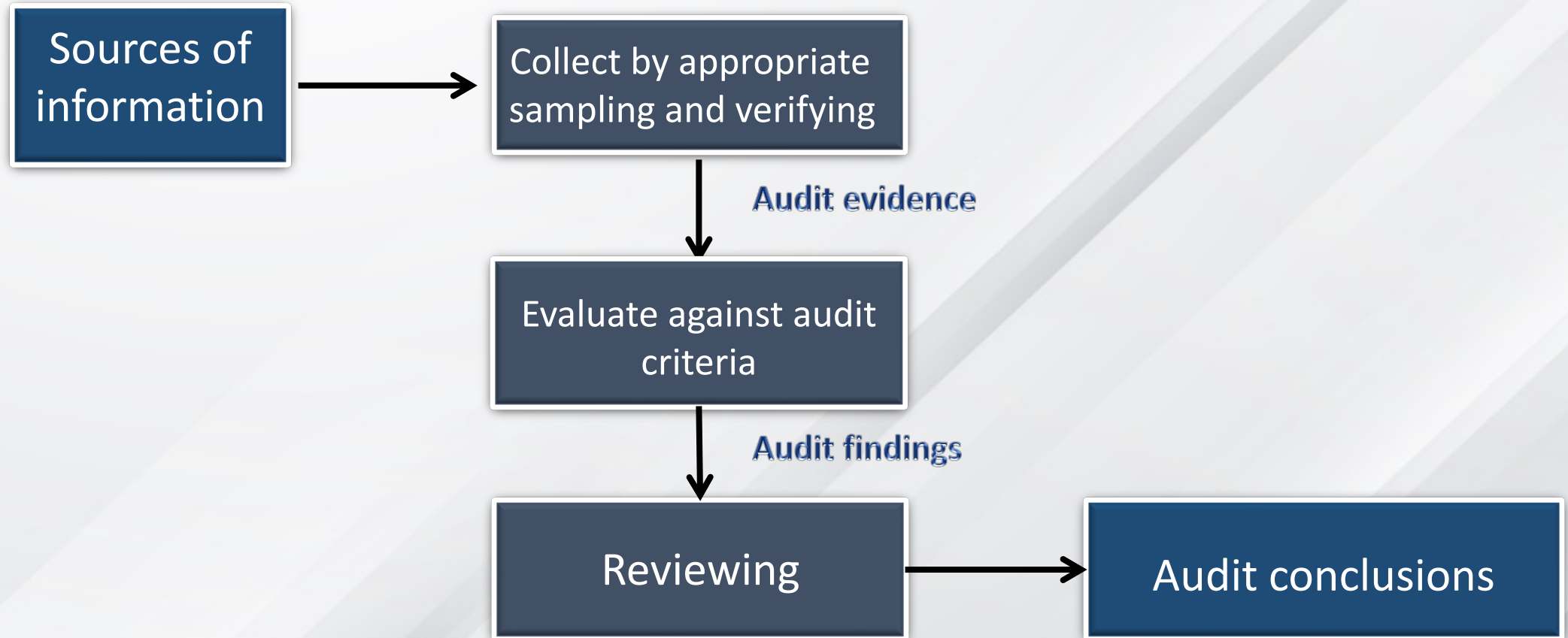
Conducting on site Audit Activity

Now time has come for
Collecting and verifying
information

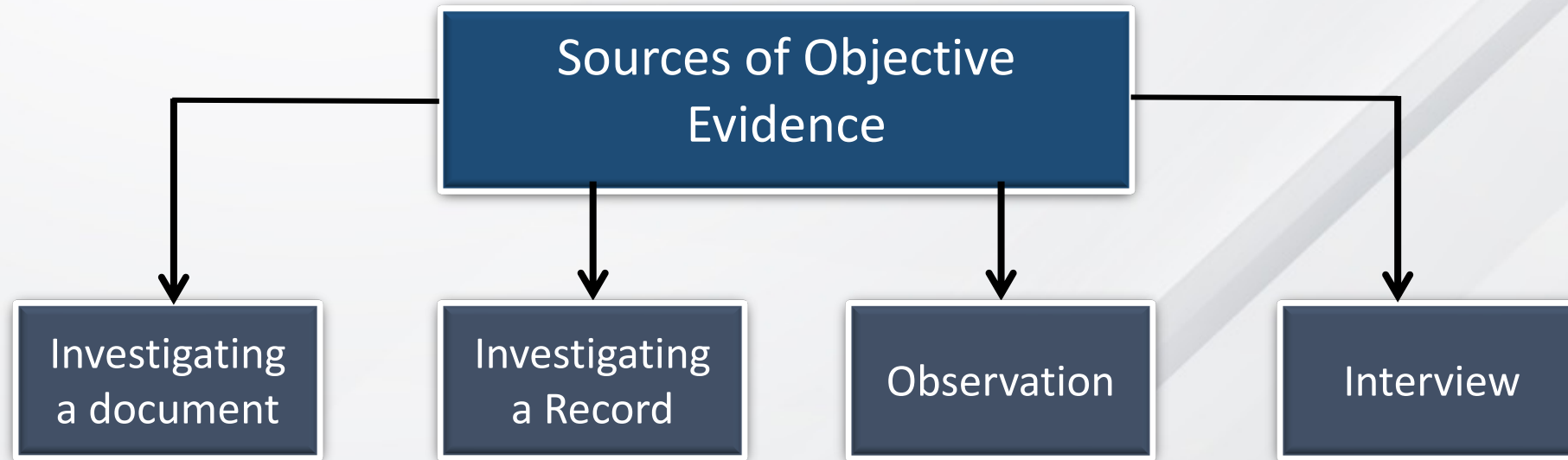
How???



Conducting on site Audit Activity



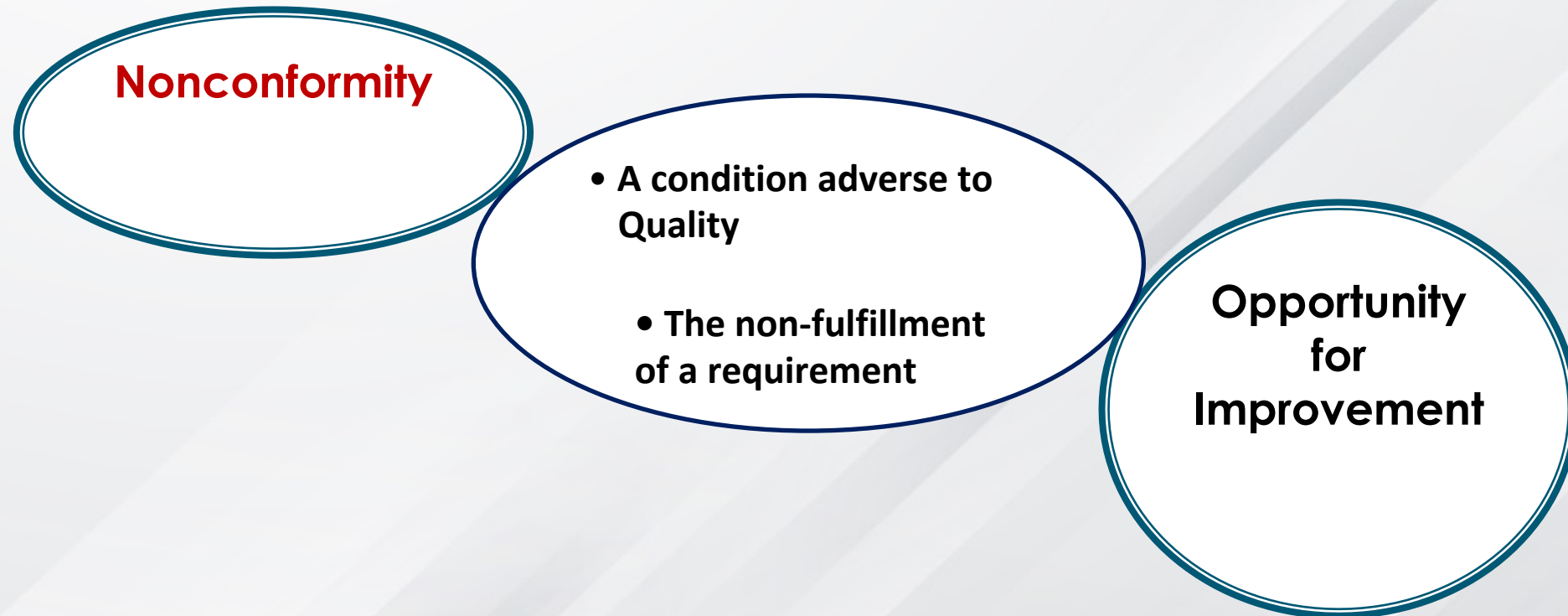
Conducting on site Audit Activity



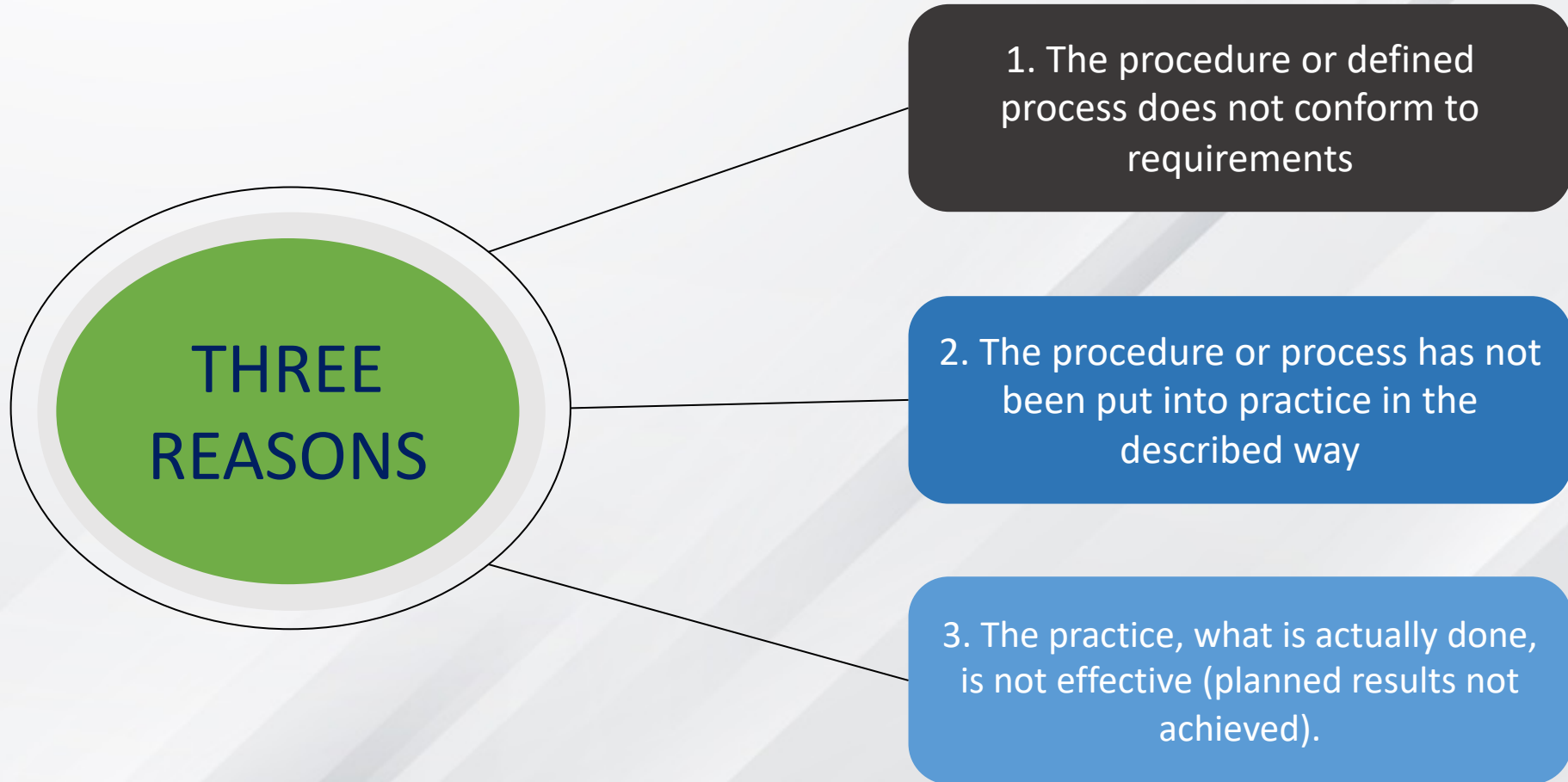
Generate the Audit Finding



Audit Finding



Audit Finding



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

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

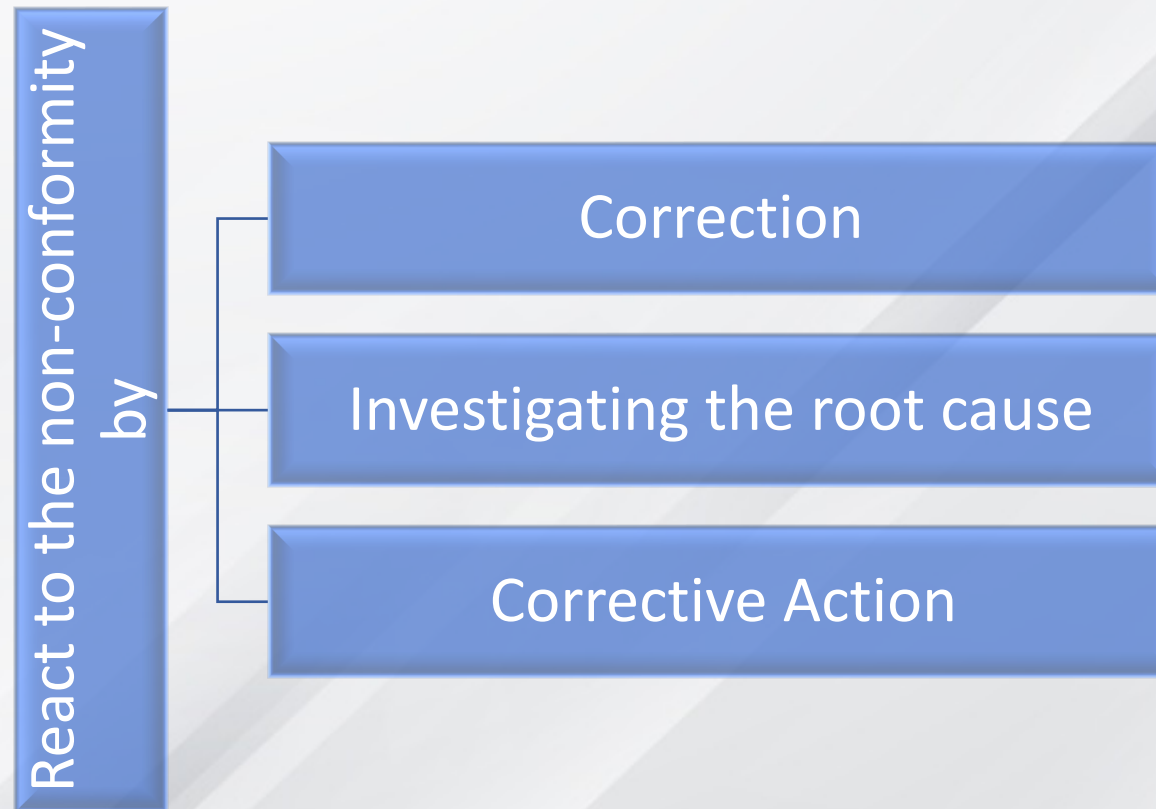
Name or job or title

Sample size

Verbal Statement

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

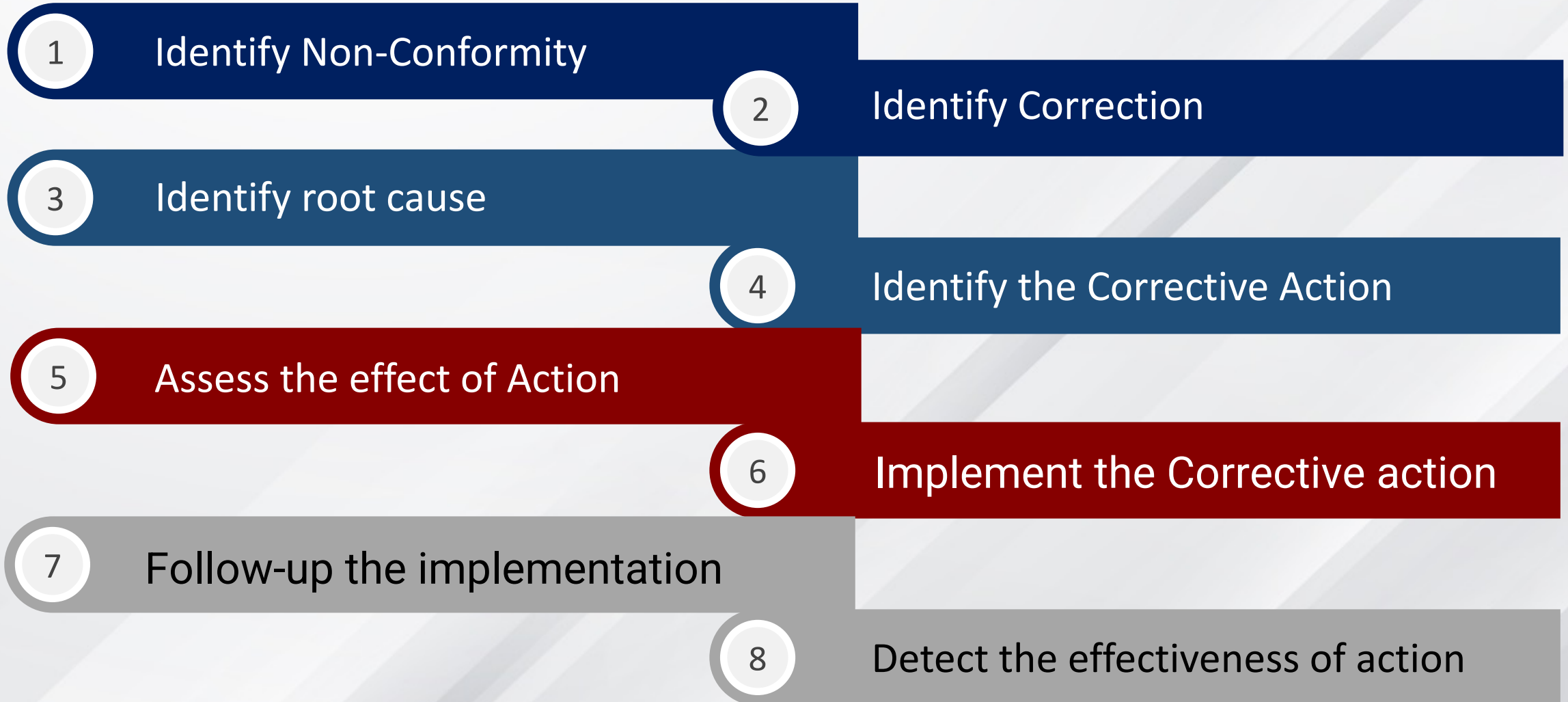
Corrective action

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.

Corrective Action Cycle



Reporting the Audit



Reporting On The Audit and Close-out





Thank You