

The Audit

The Position of Quality Austria

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The current dynamics in economic activity, profound further developments of relevant system standards and the further development of the integration concept in the practical implementation of management systems gave cause to the creation of a position paper that focuses on our core services – the **qualityaustria** audit as a complement to the position papers "The Integrated Management System" and "Excellence (EFQM)".

Quality Austria as a strong, internationally established training, certification and assessment company with public-sector character actively contributes to the further development of knowledge and standards in standardization bodies and international work groups on several levels and reflects these developments in its own work while ensuring the transfer of knowledge.

In general terms, the present position paper presents the viewpoint of Quality Austria in regard to auditing. This position paper addresses auditors and audit partners as well as all organizations that have varied, specific expectations in regard to audit benefits without repeating the requirements for certification companies and audits described in standards like ISO 17021-1.

The phenomenon "audit" is explained, and the **qualityaustria** audit philosophy as well as our company's innovative approach in regard to the design and performance of various kinds of audits and the evaluation of Business Excellence within the assessment framework are clearly stated.

The audit philosophy clarifies the activity framework, and audit categories are portrayed subsequently. The variety and diversity of the "audit" service is made visible.

Quality Austria is convinced that, presently as well as in the future, the greatest benefit is created by pragmatically combining various audit categories.

It is our intention to courageously pursue this path together with our customers and auditors!

Sincerely,

Konrad Scheiber,
CEO Quality Austria

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Initial situation and requirements

The present situation in Europe is characterized by many, closely interconnected challenges. Several developments that concern our work environment, management and corporate governance also strongly affect the design, auditing and certification of management systems in daily operations. Quality Austria (auditing company and platform of knowledge) has, for many years, advanced the pragmatic integration of management systems and the audit with added value, while being mindful of resulting benefits for implementing organizations.

Overview of present and prospective challenges

Customers and employees of the millennium generation (generation Y) are setting new priorities. Meaningful activities, integrity, personalization, autonomy, cooperation and speed of change are essential aspects, which, for employees, means the requirement for further developed management principles and practices, agile management systems for information and management support as well as new recognition forms and further development.

Global availability of information has led to massive changes in competition. Consumers can share information in a self-organized manner, give recommendations and have significantly more decision-making capabilities. Trust in brands and the credibility of certificates and awards are becoming increasingly important.

Safety remains a key requirement on many levels. Surveys show that personal safety – e.g. protection against crime and terrorism, work-place and pension plan security as well as privacy protection – remains an essential need.

Organizations and their management systems are being challenged by an increasing amount of requirements in regard to safety systems, data security, legal certainty and compliance.

Environmental awareness, including careful usage of limited resources, permeates all areas of society and the economy. Specific requirements for energy and material efficiency as well as requirements due to green-economy trends exist for management systems. The International Panel on Climate Change has defined eight key strategies that directly affect society and the economy – energy efficiency, climate-neutral fuels, heat and electricity recovery, renewable energies, recycling, product improvements, material efficiency and the reduction of other greenhouse gases besides CO₂.

Global economic competition has also led to massive changes in the industrial value chain. Digitization and information networking in previously unimagined dimensions have resulted in quick and radically changing design forms in management systems.

We are right in the middle of events that are shaping our future. From the perspective of Quality Austria, it is about managing, as best as possible, the roughly outlined challenges while pragmatically integrating the various aspects of productivity, profitability, quality, environmental management as well as occupational health and safety.

Substantive and not merely superficial integration of these often contradictory requirements will significantly contribute to success in the future. Companies and organizations from all industries and areas can achieve balance between agility and stability with the Integrated Management System.

Prerequisites for successful audit design

At Quality Austria, we believe that a successful audit design consists in providing the best-possible audit service quality. This applies to the entire process from the view of the customer – beginning with all points of contact with **qualityaustria** offices, the account manager in acquisition, the provision of services by auditors in audit planning, performance and documentation, subsequent processing, transfer of documentation and certificates as well as optimum support for further steps.

Certain prerequisites apply:

- Excellent knowledge of valid standards and models
- Specific competence for industries, technology and varied types of the value chain
- Adequate knowledge of legal framework conditions
- Well-founded competence in the audit process, audit techniques, audit methods, questioning techniques and communication tools
- Suitable appraisal and evaluation behaviour as well as adequate documentation and reporting structures (during and after the audit)
- Specificity in detecting nonconformities (with reference to basic audit criteria), recognizing and presenting strengths and potential as well as addressing improvement measures
- General willingness for change and innovation within the audited organization (agility)

In commercial life, an audit is regarded as a systematic assessment.

Audits examine whether processes, products, systems or individual areas comply with requirements, guidelines or stipulations that have either been created and developed independently or defined nationally or internationally.

Audits are performed by specifically trained auditors who are organized in internal or external audit teams.

In today's economic life, audits are performed for many topics and in many different areas of companies and organizations.

■ Management system audits – a core service of Quality Austria

Audits assessing the conformity and effectiveness of management systems based on standards such as ISO 9001, ISO 14001 or others, concerning different aspects or industry-specific standards for conformity assessment.

■ Product audits

Different forms of product or service assessment can be based on regulations, guidelines and/or standards with the aim to achieve recognition of a certain quality level.

■ Financial audits

To provide a clear picture whether "financial statements" are in accordance with legal criteria and accounting standards (i.e. IAS, US GAAP, Sarbanes Oxley Act).

■ Management audit

Systematic review of an organization or the management of an organization with regard to decision taking and the effectiveness or conformity of actions.

■ Varied thematically-specific audits

Human resources, information management, data protection, compatibility of family and career, customer management, etc.

The present position paper mainly focuses on management system audits and product audits. Quality Austria mostly offers these audits as an external assessment or certification (third party), but also for example within the context of supplier audits (second party).

Management system audits

For management systems, an audit is defined according to the definition in ISO 9000:2015:

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

This definition refers to some of the main audit principles such as **independence**, **transparency** and an **evidence based approach**. Further important principles are **due professional care**, **fair presentation**, **integrity**, **responsiveness to complaints** and **confidentiality**.

This definition provides a framework in which, depending on the objective, various audit categories are differentiated by Quality Austria in regard to content methods applied.

Presently, the classic audit, which primarily deals with determining the conformity to requirements formulated in standards, is often expanded with additional aspects. The audit is developing into an internal or external service that provides distinct added value to organizations.

Requirements of management system audits

The tasks in a management system audit are varied and complex.

Management system audits require the analysis and questioning of dependencies and interactions; entries and results of activities and processes that constantly influence each other must also be analysed and questioned, and the "quality" of these activities and processes must be recognized as well as influenced in a positive manner (value-adding intervention).

The audit is, thereby, not only about a static evaluation of states, but about uncovering and understanding cause-effect relationships and topics in the audited areas through questioning, observations and other audit methods.

Evaluations as tasks within the audit framework refer to formal and material aspects of audit objects that go beyond this. However, an audit should not be limited to the examination of formal aspects. A mere examination of defined specifications may lead to audit criteria that can be easily audited in regard to content, but it only creates limited added value for the organization.

Competent auditing also includes verification and validation, thus the questioning of chosen solutions and their effectiveness in daily operations. The distinction where and when real integration and not mere documentation takes hold has been and will also be a fundamental requirement for **qualityaustria** audits.

Auditing the interactions of processes within a system is another level. Processes are described by specifications; the task for auditing interactions is to also question the reciprocal effects of specific approaches and recognize their quality in addition to the integration in daily operations.

Thus, a **qualityaustria** management system audit is more than the mere examination of formal criteria. A system is evaluated through processes and interactions – not only statically, but while taking the dynamic system control into account.

Objectives for management system audits

Various internal and external objectives can be combined with the external auditing of a management system. Objectives concerning conformity verifications, certificate retention and associated trust-building measures can be regarded as a matter of course (basic objectives).

Other objectives can also be combined with a management system audit. Internal customers and the top management of an organization or company are to be actively involved in the determination of audit objectives depending on the expected benefit of the audit.

A management system audit, just like any other external service, must verifiably contribute to company success, and attaining a certificate is the easiest way to accomplish this. Optimization of the added-value processes, revision and improvement of the internal value chain, cost reduction and productivity increase are other beneficial aspects that can be

generated or initiated by audits. All of these aspects contribute to sustainable company success and are later summarized in detail.

Clear and consciously determined objectives from the top down are a prerequisite for additional audit benefits. Audits are also supplemented with an enhanced organizational requirement – beyond the basic objectives – as an investment in the future.

Benefits of quality audits

As previously mentioned, the defined task of an audit is to detect and visualize non-conformities, problem areas, deficits and – in a modern dynamic variant – additional development trends, strengths and improvement potential. The audit points out risks and opportunities for each organization.

All of this provides the basis for specific further development that only leads to real economic benefits through consistent implementation within the audited organization. An audit – in contrast to, e.g., consulting services – does not provide specific solutions, but lays the foundation for these.

Thus, audits are interventions with varied, indirect effects. Various effects, in addition to the indicating and checking function of audits, occur in organizations, which are described later on in greater detail.

Audits are prospectively no longer limited to detecting non-conformities or weaknesses, but also recognize peak performances in order to also possibly transfer these to other organizational areas. Audit teams are increasingly expanded with specialists in certain, technical areas. Thus, the participation of executives or experts such as controlling and software specialists, human resources, etc. can significantly contribute to the analysis of improvement potential. Audit teams can provide an increasingly comprehensive service due to the described synergies between quality, environment, health, safety, etc.

The audit as a social phenomenon

The Integrated Management System is by definition also a system to support leadership and thus centrally important for daily operations as well as for continuous improvement and further development.

Management systems are also always a reflection of organizational culture and the "infrastructure" for the creation and implementation of values. The culture – or spirit of an organization: "*This is how we do it here*" – determines individual and collective behaviour, how objectives are dealt with as well as the values and mindsets of executives.

Connecting all relevant aspects in audit planning

Planning and implementation of management system audits is clearly influenced by organizational culture.

A well defined audit programme is critically important, beginning with the contract design. Defending "territories" must be avoided from the very outset when performing an audit. A well defined audit programme that naturally complies with formal requirements and is appropriate for the respective culture is developed together with audit partners.



The audit requirement from the standards to be audited, the characteristics of organizational culture and the specific audit objectives are combined in audit planning into a total, implementable programme.

Dealing with social challenges during the audit performance

Auditors enter organizations, pose challenging questions, disturb the entire organization and leave a long list of tasks behind for the conversational partner. Fortunately, there is a time window in which the character of discussions is associated with positive excitement, curiosity and motivation. Of course, audit partners also have the option to present their services to an internal or external conversational partner and demonstrate the associated skills.

Thus, performing an audit represents a complex social cooperation in which customers (audit partners) and auditors are connected with each other.

For the auditors as service providers it is, therefore, important to approach these uncertainties with trust-building measures as they deal with customers.

The role of auditors

The role of auditors poses a complex challenge: Auditors are both service providers and inspectors.

This ambivalent audit situation means that audit discussions can be difficult, at times even endangered or may even be discontinued altogether. The activities of auditors can be described as knowledge-based, professional activity. Professionalism, in addition to one's personal attitude, incorporates all relevant competence fields of auditors in regard to social competence, technical expertise and method competence.

The correct evaluation of suitability and appropriateness in regard to the implementation of audit criteria represents one of the most essential challenges for auditors. The respectively presented procedures are to be evaluated based on the competence of the auditor according to the content, type, size and complexity of an organization.

The same procedures can be evaluated differently in different relations.

"Autonomous" professional conduct is needed while performing the audit. Facts, perspectives and conclusions are to be presented comprehensibly. Suggestions for improvement must be addressed carefully in order to avoid undesired additional expenditure.

The focus is increasingly on auditor competence in accordance with **qualityaustria's** contemporary understanding of auditing. "Classic requirements" for conformity determination remain; many aspects in regard to added value and the present social situation enter into the **qualityaustria** audit with added value.

The audit - professionally designed and performed

Our understanding of a professional audit is here briefly summarized with reference to the basic audit standards (ISO 19011, ISO 17021-1, etc.) and without repeating these.

Audit principles are fully depicted as a framework in the audit philosophy of Quality Austria.

The on-going design and performance of **qualityaustria** audits as a service follow the Plan-Do-Check-Act-cycle:

- Planning: Audit programme design, audit strategy, audit priorities
- Doing: Team selections and assignments, preparation of audit design, specific audit planning, execution and reporting
- Checking and Acting: Further development of the audit programme

Planning – audit programme design

A three-year cycle generally applies for the auditing of management systems. A programme is developed together with the customer while being mindful of this three-year cycle – audit objectives, audit scope and audit criteria and audit priorities are developed.

The task, as later stated in the audit categories, is to develop a coherent total programme from the basic standards and the customer's specific concepts (special audit objectives).

The design of the audit programme also takes complex customer structures (multiple locations, sub-organizations, sectors, areas of responsibility, decision-making areas, people groups, etc.) into account.



Illustration 1: Excerpt from a **qualityaustria** Audit/Assessment Report

It must be clearly discernible from the overall design of the audit programme that requirements from the standards, customer expectations, the auditor team, available competences, selected methods and available time budgets are coherent and compatible.

The audit programme should not be confused with the audit plan, which incorporates planning for the imminent audit.

Doing – detailed audit implementation

A professionally executed audit requires appropriate preparation. Detailed initiation and planning of the audit (audit plan) are performed within the frame of the audit programme. The competent auditor team performs the audit in a detailed manner by implementing the respective audit plans.

The audit report provides an important (as well as factually comprehensible) audit result in addition to the perceptions of audit partners and the communication that takes place during audit encounters and in final discussions.

qualityaustria audit reports must be comprehensible and designed to provide the greatest possible value for customers. Well-founded formal specifications, modern tools and annual competence-increasing measures of Quality Austria ensure the qualitative value of audit reports.

These audit assessment reports comprehensibly depict the audit situation, summarize the findings and make the path of discovery comprehensible.

Clear statements regarding conformity and effectiveness of the management system, statements in regard to strengths and indications for identified improvement potential with clear reference to audit objectives ensure that the audit also has the potential for constructive intervention.

Current developments show that, in addition to conformity verification, more and more organizations intensely desire audits that can answer the question: "How good are we?". Organizations want to recognize strengths and realise potential for substantive improvements.

This question in regard to further development can be integrated into existing audits via additional audit objectives and audit priorities. The audit becomes a control lever for organizational development.

As the later described audit categories show, this can also be adequately depicted with focus audits or audits with innovation character.

Of course, various excellence assessment forms such as the compact **qualityaustria** Excellence Check, customized internal assessments, assessments of the level of excellence according to the EFQM model (Committed to Excellence C2E, Recognised for Excellence – R4E) or also assessments for the Austrian Excellence Award provide clear answers to questions relating to potential ("How good?").

Quality Austria is one of the organizations in Europe that provides these services – audit and excellence assessment – most extensively from one source. Many auditors of Quality Austria are also assessors according to EFQM requirements and combine both approaches for the benefit of customers.

The focus is on the further development of the customer's organization. The question in regard to the correct intervention approach (audit or excellence assessment or both) must be answered depending on the specific customer situation.

Our experience over the last 25 years clearly demonstrates, as comprehensibly recorded in many interviews and success stories, that virtually most of the sustainably excellent organizations are based on a certified management system. For more information, visit www.qualityaustria.com/excellence.

qualityaustria audits not only depict the visible, but also the invisible.

Checking and acting

The audit programme, available as a framework, is jointly reflected within the context of the annual audit planning, and required adjustments (e.g. due to context, strategy, performance promise or process changes) are performed.

The organization whose management system is being audited must develop dynamically, but the annually performed audit must also be adapted and improved. Continuous development focuses on the benefits and effectiveness of the performed audit.

Audit and excellence assessment (following the EFQM model)

The audit of an organization's management system and the excellence assessment of an organization follow different objectives according to the original and basic design of these services.

- The audit generally evaluate the fulfilment of audit criteria (conformity of the management system) through evidences.
- The excellence assessment focuses on the question: "How good is the organization?" (maturity levels of excellence)

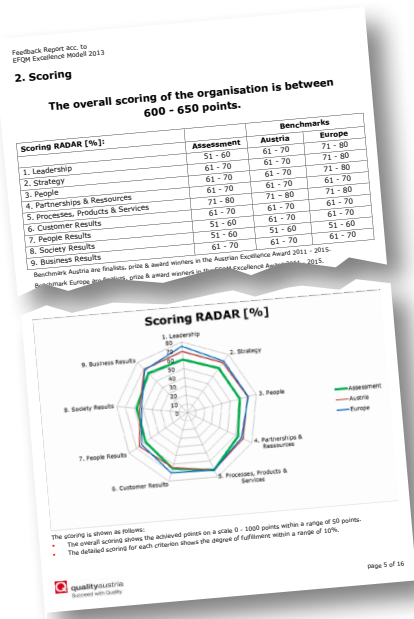


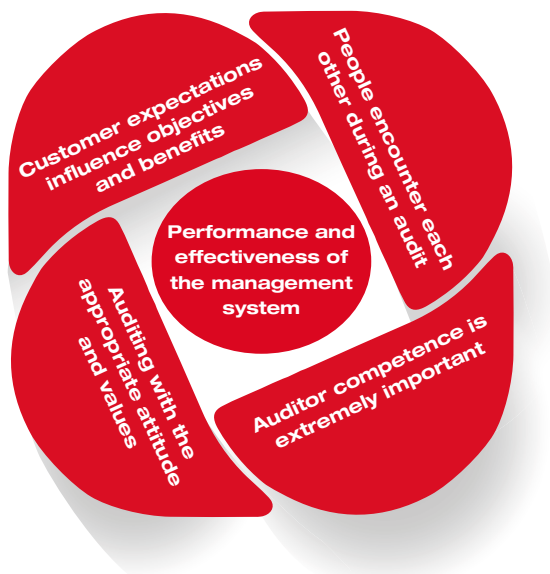
Illustration 2: Excerpt from a **qualityaustria** excellence assessment feedback report

The audit philosophy of Quality Austria

Quality Austria as an accredited certification body provides audit services within the tension field of various, often conflicting interests:

- The desire of customers to attain certificates on the basis of audits as well as possibly realizing other audit objectives.
- The desire of audited persons for positive audit feedback and to portray one's activities in a positive light.
- The desire of auditors to do justice to their multi-faceted role as service provider and inspector and maintain a good relationship with the organization.
- The desire within the industry and society for reputable certification, realized through accreditation and other authorization bodies.

The economic framework conditions of all persons involved in the audit must also be taken into account in a rule-conform and benefit-optimized manner. The **qualityaustria** audit is a success story as basis and part of the certification process. Conduct of audits and the following certifications are meanwhile industry standard.



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Illustration 3: The audit philosophy of Quality Austria

Certificates are becoming increasingly popular and significant as trust-building verifications. Valid certificates are meanwhile an indispensable precondition for competitive participation in several industries and value chains.

However, their significance also poses a risk or challenge:

- Increased legitimisation pressure in more and more industries demands that service providers portray their own services as positively as possible.
- Professionalization pressure for certification bodies releases the tension between the social value of a certificate and the expectation for independent, objective and competent evaluation.
- Society, customers and certification bodies are also interested in maintaining the trustworthiness of certificates.

It is apparent that the substantive value of an audit is essentially characterized by the degree of public trust. This trust, from the perspective of Quality Austria, is in turn essentially characterised by the basic attitude, expertise and competence of **qualityaustria** auditors.

The specific philosophy

Performance and effectiveness of the audited management systems are crucial

Two of the most central success factors – **system performance and effectiveness** – are especially taken into account in **qualityaustria** audits. Quality Austria examines and evaluates which procedures are suitable and appropriate for performance and effectiveness, presently as well as in the future. System objectives are questioned while taking optimization opportunities for the greatest possible customer benefit into account.

The position of Quality Austria is clear. An Integrated Management System not only consists of system descriptions and respective instructions. Integration in daily activities, practical implementation and the effect on the organization are prioritized. Audits that focus on these topics are interventions that add value and motivate.

Customer expectations significantly influence audit objectives and benefits

The **qualityaustria** audit provides a design scope for customers. Basic standards and regulatory works form an audit criteria set as the basis for certification decisions. Basic audit objectives are derived from this, which are stipulated by Quality Austria as the certification body. Quality Austria also deems it essential that customers define special audit objectives in addition to basic ones. These special objectives are then also taken into account in the **qualityaustria** audit.

Quality Austria sees it as its responsibility and self-commitment to point out improvement and change potential in regard to the mentioned audit objectives within the context of the audit.

The **qualityaustria** audit thus becomes a design momentum for the organization. Companies are invited to also use internal audits in this way.

It is clearly up to the customer to seize and implement any recognized potential. Major and minor non-conformities must naturally be processed. The customer decides whether to act on recommendations.

Substantive benefit is created for **qualityaustria** customers when openness for change, willingness to learn and an innovative spirit are lived out.

Experience has shown that only the obligatory part of identified improvement and change potential is implemented, and most likely only one part of the possible company improvement measures for company success is achieved if this basic attitude is missing. This reduces audit benefits to conformity confirmation and certificate retention.

Auditor competence of qualityaustria auditors is extremely important

Quality Austria has well-founded expertise and competence for management systems with the requirement to secure and increase the customer's company quality.

Auditors of Quality Austria as carriers of this competence are practitioners who are also managers or consultants in addition to being experts and have a broad industry knowledge at their disposal. **qualityaustria** auditors have profound knowledge of relevant standards and consistently undergo technical and methodical further training. The pronounced understanding of **qualityaustria** auditors in regard to cause and effect relationships and possible consequences – whether intentional or unintentional – is essential.

Moreover, Quality Austria also sees the value-oriented attitude of auditors as a central element and strengthens this attitude with collegial embedding in the **qualityaustria** professional community and an organizational environment that supports organizational and management competence. Quality Austria consciously relies on network partners as auditors who have proven themselves in the daily work environment.

Auditing with clearly defined attitudes and values leads to the desired audit quality

Auditors of Quality Austria stand for clear principles in regard to basic, technical and professional-ethical conditions. These principles, as already mentioned, include the following: independence, transparency, an evidence based approach, due professional care, fair presentation, integrity, responsiveness to complaints and confidentiality.

Quality Austria also has a responsibility towards customers to practically realize these values in all points of contact with customers and in every business case.

Auditors of Quality Austria as "professionally acting" experts are actively supported in maintaining auditor ethics, which includes taking the performance limits of **qualityaustria** services or the demand for pronounced dialogue and conflict ability into account.

Quality Austria maintains the following essential quality criteria for audits as an enhancement for the mentioned basic attitude of professional conduct in performing audit services:

- Objectivity is the degree according to which the audit result is independent of the auditor. Objectivity refers both to the ascertainment of facts as well as to the derived audit findings.
- Reliability is the degree of accuracy and reproducibility of the diagnostic result.
- Validity describes the accuracy and meaningfulness with which audit findings are made – this requires pronounced knowledge of the underlying standards and the ability to evaluate aptitude, appropriateness and effectiveness of the observed system in regard to requirements.

People encounter each other during an audit

Processes and functions become alive through people and their activities in all areas of the audited organization. Thus, auditors of Quality Austria interview their audit partner with transparent objectives, conversational openness and confidentiality according to the defined framework. Quality Austria summarizes this under "encounter quality".

Encounter quality reflects the form of communication – the experienceable appreciation – during the performance of the audit.

Of course, auditing management systems also means taking system elements into account. Audit planning already makes it clear that all audit elements are ultimately represented and exhibited by people who also make these elements experienceable.

Facts and circumstances are verified and validated with discussion results, statements and recognized facts.



Benefits from qualityaustria audits

Original Statements from customers are the best way to describe the benefits gained from qualityaustria audits.

Strategic work, orientation and key results

- Gained spare time for the entrepreneur
- Optimal succession plan
- Comprehensible appreciation in company value
- Important contribution for securing the location
- We use IMS and audits as a strategic tool
- Significant support for our globalization endeavours
- Real increase in our export opportunities
- Improved investment planning
- Improved early-warning system, information system
- Significant system of performance indicators
- Comprehensive transparency increase
- Essential optimization of assessment procedures
- Essential assistance for managing our enormous sales growth

Process and organization design

- Stronger process orientation
- Continuous improvement process with impact
- Enormous assistance within the context of restructuring
- Significantly better internal communication
- Improved development control

Productivity, costs

- Significant reduction of cycle times
- Substantial reduction of overhead costs
- Comprehensible improvement of company results (EBIT, EBITDA, Yield)

Employee orientation, energizing, motivation

- Culture and value change on a surprisingly large scale
- Unforeseen enthusiasm in many areas
- Increased employee satisfaction
- Substantial increase in taking responsibility
- Improved team orientation
- Increased occupational safety
- Reduction of nuisances felt by all

Customer orientation

- Enhanced customer orientation
- Massive complaints reduction
- Comprehensible increase in customer satisfaction
- Substantial image improvement

Legal certainty and legal compliance

- Substantial increase in legal certainty
- Increased acceptance by authorities
- Improved data protection

Securing of resources and knowledge, partnerships

- Significant contribution to securing our expertise
- Reorganization of our partnerships



Audit categories

Audits can be designed very differently. For example, a security audit after a safety problem has occurred is wholly different from an audit to support a strategic process for identifying future potential.

Both audits are important for organizations in order to mitigate risks or shape future developments. It is essential that the different categories are clearly identified in regard to their characteristics in order to adapt the entire audit procedure to the existing requirement as best as possible in accordance with the audit objective.

Quality Austria divides the offered services into several categories. The structure is impartial; the greatest value is created when the executed audit also complies with the objectives of the respective customer in accordance with the best-possible expenditure-benefit ratio. The structure is selected according to pragmatic considerations. Audit categories are not strictly separated from each other.

Illustration 4 shows that the audit categories can be displayed as a total image along the dimensions of "content-related design scope" and "methodical design scope".

The customer's decision-makers ideally select the audit category that is most beneficial for the respective application case based on strategic and current specifications and events. Audit categories differ in regard to their characteristics and objectives, resulting in various activity scopes both in regard to methodic audit design and the determination of objectives. The image elucidates the importance of setting objectives, clear coordination of expectations and possible, preliminary activity scopes.

The non-dissolvable field of tension is also elucidated when a customer, e.g., wants to perform an audit with innovation approach within the context of a contract audit that is subject to a strict procedural definition.

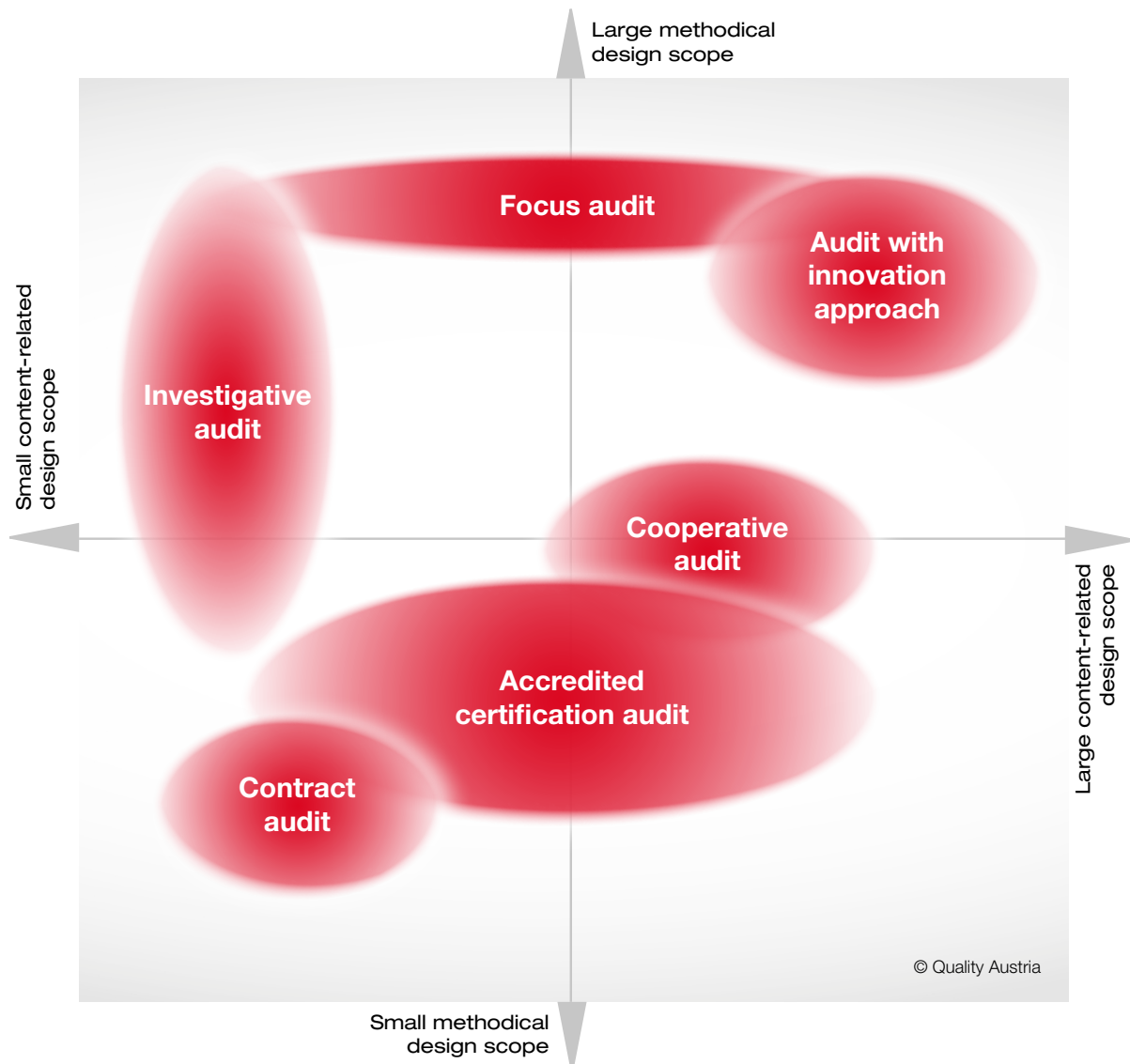


Illustration 4: "Overall image" of audit categories



Focus audit



Audit with innovation approach



Cooperative audit



Investigative audit



Contract audit



Accredited certification audit

1. Focus audits



Quality Austria defines focus audits as audits with entirely specific, prescribed topics or emphases. The objective of a focus audit is not to observe all aspects or the entirety of a system in contrast to the accredited certification audit.

The focus can, e.g., be on a specific product (product audit), a process (process audit), a specific topic or also on a function (procurement, sales).

A focus audit can be performed as an independent audit or integrated in another audit form as a complement. This type of audit can, to a limited extent, be combined with an accredited certification audit or contract audit provided that the determined focus does not contradict accreditation rules and sufficient time is envisaged.

Characteristics

Focus audits usually focus on ascertaining facts and circumstances in order to gain content-related insights and improvements. Specific problem cases, complaints, future-oriented changes/investments, new priorities or innovations are usually the reason for such an audit.

The focus is mostly on the following topics according to these triggers:

- Products, product characteristics, product safety, suitability for use
- Processes, functions or areas (procurement/suppliers, sales, ...)
- Topics such as
 - Strategic topics of customers, investment projects, funding
 - Effectiveness, efficiency
 - Ability for change, employee competence, organizational culture
 - Process security, legal certainty, system security

Utilised audit methods are adapted to individual objectives, which may be quite "controlling/investigative" in nature or also "innovative" (including all combination and transitional forms).

Focus audits are often used for supplier monitoring while the focus is on delivered products, organizational areas or added-value processes that are relevant for product quality and responsible for compromising product quality in the event of a complaint.



Quality Austria perceives several processing characteristics besides the option to set specific audit objectives that can be included without additional expenditures:

- Specific objectives that justify additional expenditure are determined within the course of an audit – the expenditure expands the existing task and is performed according to the same deadline.
- A separate date is agreed in case of a focus audit – which creates a new business case.

Objective determination

The objectives of a focus audit are determined by the customer based on the event. A suitable audit team (competent in the focus topic) is selected according to requirements.

The audit duration is determined according to the task and requirements, integrated directly within the expanded deadline or fixated as a separate order since focus audits are usually not subject to accreditation rules.

The more specific the objective, the more precise the preparation and execution of the focus audit. Thus, coordination between customer and Quality Austria or our auditors is a basic condition.

The customer must, in addition to defining objectives, also clarify audit criteria (contracts, delivery conditions, agreed-upon standards, delivery specifications, acceptance criteria) for supplier audits.

Practical implementation, methods, tools

The full method spectrum for audits can be used during the practical implementation. Depending on the task, the procedure can be process-oriented, retrograde, functionally oriented as well as interface or reciprocally oriented.

The audit can be investigative even if the field of observation is focussed, which is typically given when examining problem cases. The focus audit can have an innovation approach. It is important to clearly differentiate consulting services. For example, specific solutions for recognized problems cannot be identified as an audit objective.

Problems that require a more profound analysis and observation are ideally detected within the course of accredited certification audits. Focal points are established according to significant customer interest. A focus audit can be simply performed without additional distribution times as a complement to the certification audit. It may make sense to reinforce the audit team depending on the focus.

Standards for the focus audit (excerpt)

qualityaustria products based on the following standards are also taken into account in focus audits:

Standard	Description
ISO 31000/ ONR 49001	Risk management
ISO 10001	Customer satisfaction – Guidelines for codes of conduct for organizations
ISO 10002	Customer satisfaction – Guidelines for complaints handling in organizations
ISO 10005	Quality management systems – Guidelines for quality plans
ISO 14644ff	Cleanrooms and associated controlled environments
EN 15224	Services in healthcare
SA 8000®	Social accountability
ISO/IEC/IEEE/ 15288	Systems and software engineering – System life-cycle process
HACCP	Hazard Analysis and Critical Control Points
GMP packaging	Good manufacturing practice for corrugated and solid board packaging (FEFCO)
GMP medicine	Good manufacturing practice
GDP medicine	Good distribution practice
EN 15593	Packaging – Management of hygiene in the production of packaging for foodstuffs
EN 14065	Laundry processed textiles – Bio contamination control system
EN 12522/1+2	Furniture removal activities
ÖNORM D 1000	Transportation services – Requirements for fine arts removals
ISO 28000	Security management systems for the supply chain
ISO/TS 22002ff	Prerequisite programmes on food safety
EN 15927	Services offered by hearing aid professionals
GEFMA 730	Integral process responsibility in facility management



2. Audits with innovation approach

Innovation means renewal, change and marketable implementation of developments. Innovations can apply to products, processes, methods, but also to strategies and business models. The following questions are pertinent to audits with innovation approach: What impulses for renewal and change can the audit provide? What opportunities and future potential – for a product, process, methods or business models – can be identified in the audit?

An audit with innovation approach is clearly different from a classic management system audit for conformity verification. Thus, topics such as variability, learning, courage, strategy, agility, culture and management are prioritized in an audit with innovation approach.

Characteristics

An audit with innovation approach is primarily about identifying strengths and paths for change that are to be expanded or taken. These audits are usually not deficit-oriented, but clearly focus on potential and are similar to Excellence Assessments according to the EFQM Excellence Model.

They are the opposite of an "investigative audit".

Audits with innovation approach are characterized by a climate of transparency and openness; critical-constructive thinking, joint discovery and development as well as empathy and collaboration quality of involved parties are decisive success factors. Trust between auditor and the organization's audit partners is a basic precondition.

Auditors act as catalysts by selecting suitable audit methods, questioning techniques and creativity-promoting approaches. All pragmatic aspects of knowledge management are also helpful for identifying existing innovation potential within the selected topic.

Objective determination

The primary objective of an audit with innovation approach is the valid identification of specific innovation potential and possibilities, which requires learning and creative development on the part of all involved parties. These audits provide essential contributions to prospective company success and often deal with future-oriented design approaches for the company. Audits with innovation approach often act as an impetus for structural and organizational development.

Practical implementation, methods, tools

In practice, audits with innovation approach are either executed as independent audits or in connection with an accredited certification audit.

However, the latter requires sufficient audit time for the audit with innovation approach in addition to the stipulated minimum times.

As a stand alone service, an audit with innovation approach is often the starting point for organizational development projects, but also for essential further development of the management system such as in the case of major changes to requirement standards.

EFQM Excellence Assessments pursue similar objectives according to strengths and can further enhance the audit with innovation approach by additionally focusing on qualitative and quantitative results.

Standards for the audit with innovation approach (excerpt)

Various sources can be consulted for the audit with innovation approach. The following overview is given as an excerpt:

Standard	Description
Delta ISO 9001:2015	Status assessment for the implementation of the requirements according to ISO 9001:2015
EFQM model	Assessment and recognition Excellence level: - EFQM Committed to Excellence (C2E) - EFQM Recognised for Excellence (R4E) - EFQM Excellence Check
Austrian Excellence Award	Assessment for the Austrian Excellence Award
Risk Scan Risk Quick Scan	Risk evaluation, risk assessment (based on the EFQM model)
ISO 10006	Guideline for quality management in projects
ISO 10015	Guideline for training
ONR 192500	Social responsibility (CSR)
GRI ISO 1403/ ISO 14063	Environmental performance evaluation – Guidelines/Environmental communication – Guidelines and examples
ISO 14021	Environmental labels and declarations – self declared environmental claims



3. Cooperative audits

Cooperative audits are a collective term and are based on cooperation with organizations such as advocacy groups, government authorities, associations or companies (e.g. "Audit work and family", "Label for social integration enterprise", "Audit with the Association for Disposal Companies/ÖVGW Technical Association for Gas and Water").

Audit criteria and audit processes are usually developed together with cooperation partners who usually contribute industry and technical competence; Quality Austria provides expertise in audit design and performance. The cooperative design is partner-specific.

A joint audit is an audit in which two or more audit organizations work together to organize an audit. This type of audit is performed when one of these organizations cannot provide all of the accreditations desired by the customer or is not represented in the customer's region. The one-face-to-the-customer principle remains in place.

Characteristics

Cooperation partners are usually on an equal footing in cooperative audits in contrast to the contract audit in which the contract partner unilaterally defines specific regulations.

Accordingly, the audit procedure is developed jointly for the cooperative audit and adapted to the objectives as best as possible. Audits are also often performed jointly in order to combine technical competence and audit competence as best as possible.

The joint audit also falls within this category in addition to the mentioned cooperation. In a joint audit, Quality Austria performs an audit together with other certification bodies, which is usually necessary when a certification body is contacted by a customer but does not have all of the required accreditations and must, therefore, consult a partner organization. Partner organizations are also integrated when special language skills are required.

Objective determination

Specific objectives of cooperative audits are determined in the cooperation contract. The objective of cooperative partners is to competently and efficiently process the audit according to technical objectives.

The recognized, basic audit methods and the **qualityaustria** quality criteria that are also used in other audit areas are implemented: Independence, objectivity, fairness, transparency and competence are indispensable characteristics expected by cooperation partners.

These are essential conditions for the most commonly awarded audit-based recognitions and quality seals to be recognized by the market.

The same criteria are essential for joint audits. The objective of certification bodies is to jointly support the customer as best as possible and also maintain the earned reputation within the framework of the cooperation. Joint audits are a good opportunity for customers to consistently receive a compact and integrated audit service through a contact partner.

Practical implementation, methods, tools

As already mentioned, the specific methods and tools are developed according to the respective cooperation case and implemented within the framework of the **qualityaustria** audit philosophy. **qualityaustria** checklists, IT infrastructure, database tools and all quality-assurance measures (such as competence criteria, partner checks, etc.) are implemented if possible. It is an ideal tool specifically for supplier audits ("retrograde audit" – auditing from event to cause).

Standards for cooperative audit (excerpt)

The following overview is given as an excerpt from cooperations:

Standard	Description
Austria Quality Seal	National and international
Standards Familie & Beruf GmbH	Audit work and family Audit highschool and family Audit work and family for health and care institutions
KTQ	Cooperation for transparency and quality in healthcare
SA 8000®	Social accountability
GRL03	Health Tourism – Best Health Austria (BHA)
bdv quality seal	Label for social integration enterprise as partner of bdv Austria
Social audit	Social audit for the verification of the code of conduct
IQNet standards	SEDEX SMETA audit (ethical trade audits) SR10 Social responsibility management systems
ÖVGW – PV200	Quality requirements placed on gas grid operators
Eco-labels	UZ 02 graphic paper/EU eco-label "copy and graphic paper" and "newsprint" UZ 06 furniture UZ 07 wood and wood based materials UZ 18 products from recycled paper UZ 24 print products/ EU eco-label "printed paper"
The Blue Angel	For example RAL-UZ 5: Sanitary paper products made of recycled paper
WWF Check Your Paper (CYP)	WWF Check Your Paper report card
FACE	Gluten-free on the basis of the standard of FACE (Spanish Coeliac Disease Association)
Global GAP	Good Agricultural Practice
IT in cooperation with CIS GmbH	Information security according to ISO 27001, IT service management according to ISO 20000 (ITIL)



4. Investigative audits

Investigative audits examine, uncover and explain. Possible gaps or deficits are detected with these audits in order to improve security (for example legal certainty).

Characteristics

Investigative audits are used in areas where problems or damages have occurred and an investigation is needed.

The focus is usually on cause-effect relationships while also taking possible consequences into account. This applies to determined actions, responsibilities, agreements and their consequences (liabilities, legally relevant consequences, etc.). Thus, the activities of sworn experts are also investigative in nature (e.g. clarification of accident causes).

Investigative audits are characterized by tension between auditor and audit partners due to the investigative approach:

- The objective of auditors is to uncover errors or weaknesses.
- Audit partners want to demonstrate that such errors or weaknesses do not exist.

Objective determination

Investigative audits search for truth, aim to correctly identify and document facts and circumstances as well as events and cause-effect relationships. Evidence and verifications as well as viewpoints and opposing viewpoints are sought.

The topic to be explored is clearly defined at the outset; the varied applied methods always serve examination and verification purposes.

The findings of an investigative audit can identify causal agents, detect error sources, system weaknesses or verify incorrect behaviour. Such audits are primarily concerned with damage defence or damage mitigation by either prosecuting the causal agent or excluding potential prospective damages as best as possible.

Practical implementation, methods, tools

It is about dealing, as best as possible, with the mentioned tension field "auditor – audit partner" in the selected investigation and examination methods.

Questions in multiple loops, investigative interviewing techniques, comparative documentation analysis or open questions that cause the audit partner to disclose information are essential. Persistence in communication, consistency in pursuing the line of questioning and detected inconsistencies, false statements and accompanying research are also essential.

Transparency in setting objectives and in communication must be ensured, and documented statements must be formulated comprehensibly and coherently.

Standards for the investigative audit (excerpt)

Standard	Description
INTOSAI GOV9100	Guidelines for internal control standards for the public sector (INTOSAI International Organization of Supreme Audit Institutions)
COSO Guidance on internal control	Guidance on monitoring internal control systems (COSO Committee of Sponsoring Organizations of the Treadway Commission)
Risk Scan Risk Quick Scan	Risk evaluation, risk assessment (based on the EFQM model)
IPPF	International standards for the professional practice of internal auditing

Methods and tools for the examination as well as disclosure and verification are important in investigative audits.



5. Contract audits

Quality Austria defines contract audits as audits that are performed on the basis of a contract with a regulatory agency or an association.

Typical examples of contract audits can be found in the automotive industry (contractual partner VDA-QMC), food safety or railways (IRIS standard in the contract with UNIFE).

Characteristics

Contracts with contract partners (VDA, UNIFE, etc.) exist in addition to – or instead of – accreditations. The underlying standards and requirements are developed by these associations; usually only members and selected stakeholders are included in the standard development process. Open standard development with equal consideration for all concerned, interested parties (such as for ISO 9001) is not customary. Contracts between certification bodies and contract partners usually contain strict requirements regarding auditor competence, auditor training and frequently also examinations by external auditors/contract partners.

Auditors are registered centrally by the association that provides the contract.

Quality Austria as a certification body is subject to continuous, intensive monitoring (witness and office audits, analysis of audit reports, on-going reporting). Detailed specifications from audit planning to audit performance with specific, procedural audit requirements (also often binding audit tools) must be observed. Customers are usually also registered directly with the contract partner.

Objective determination

Contract audits focus on conformity verifications. These models are included in delivery contracts as obligations according to the industry sector. Thus, a certification according to ISO/TS 16949 is de facto the requirement for being accepted in the value chain as a supplier for the automotive industry.

Accordingly, an important objective for the audit performance is to ensure product safety and the mitigation of risks for customers. Retaining a certificate is usually important for the audited organization as certificates are an essential requirement for the company's economic activity.

Practical implementation, methods, tools

Contract audits are usually strictly regulated. Quality Austria acts as service office within the close framework of standard providers. Approval in the respective business field is at stake, both for the certification body as well as for the audited organization.

Accordingly, there is little room for creativity in contract audits – correct performance, precise audit determinations and conformity evaluations are prioritised.

Standards for the contract audit (excerpt)

The following overview shows an excerpt for contract audits achieved by Quality Austria:

Standard	Description
ISO/TS 16949	Quality management systems Special requirements for the application of ISO 9001 for serial and spare-part production in the automotive industry
VDA 6	Quality management in the automotive industry VDA 6.1 – System audit VDA 6.2 – System audit services VDA 6.4 – System audit production material
EN 9100ff	Models for the aviation and aerospace industry
FSC® CoC	Forest Stewardship Council Chain of Custody
PEFC CoC	Programmes for the Endorsement of Forest Certification schemes Chain of Custody
RT05	Technical regulations for building industry in Italy (EAC28)
TL 9000	Telecom Leadership 9000 – Quality standard for providers of telecommunications equipment and services based on ISO 9001
SCC/SCP	Safety Certificate Contractors/Safety Certificate Personnel Leasing
ISO 13485	Medical devices – Quality management systems – Requirements for regulatory purposes
IRIS	International Railway Industry Standard
ISO 22000	Requirements for any organization in the food chain
BRC/Pg	The British Retail Consortium Packaging
BRC	Global standard for food safety, Further specific standards for packaging and packaging materials
IFS	International Food Standard, Further specific standards for logistics and other characteristics



6. Accredited certification audits

This category incorporates those audits that have been processed within the framework of the national accreditation according to international standards (such as ISO 17021). These audits include initial certification and monitoring or serve as a basis for extensions (re-certification).

Government authorizations such as in regard to the EMAS regulation or product-related certifications with accreditation are also part of this category.

Characteristics

The primary objective of accredited certification audits is conformity assessment. The basis for this is regulated through international standards (usually published by ISO) as well as through requirements for certification bodies (created by national accreditation bodies and their international associations).

Specifications for audit performance and auditor competence are regulated through international standards. Qualification and further development of auditor competence is performed via the certification body.

Customer registration is also performed through certification bodies; central registers are not customary. The specific certification standard can apply across industries (for example ISO 9001 or ISO 14001) or be industry-specific (e.g. ISO 13485 medical products or ISO 3834 welding companies) and refer to various topics (e.g. quality, environment, security).

Objectives

The basic objectives of accredited certification audits are determined through international standards. It is generally about the conveyance of trust in a certification that fulfils determined requirements.

Organizations expect confirmation of conformity as well as a worldwide valid and recognised certificate. This is achieved through determined audit objectives.

Practical implementation, methods, tools

Thus, accredited certification audits follow defined specifications with the option to supplement organization-specific objectives and focal points (special audit objectives).

Little manoeuvring room remains for special audit objectives if audit times are reduced to the internationally required minimum times.

Standards for the accredited certification audit (excerpt)

Standard	Description
ISO 9001	Quality management
ISO 14001	Environmental management
ISO 50001	Energy management
EMAS-VO	Eco Management Audit Scheme
OHSAS 18001 ISO/DIS 45001	Occupational health and safety management
AUVA-SGM	Safety and health management system of the Austrian Social Insurance for occupation risks
EN 1090	Execution of steel structures and aluminium structures
ISO 3834-2, 3, 4	Quality requirements for fusion welding of metallic materials
EN 15085-2	Welding of railway vehicles and components
SMS railway safety	Safety management system according to §39 of the Railways Act, EURL 2004/49 (European Railway Safety Directive)
SBR Directive 2000/9/ EC	European Cableways Installation Directive
ISO 22000	Requirements for any organization in the food chain
ISO 15189	Medical laboratories
ISO 29990	Learning services for non-formal education and training – basic requirements for service providers
ECM	Certification of entities in charge of maintenance (of railway vehicles and infrastructure)
ISO 22301	Societal security – Business continuity management
GMP medicine	Good manufacturing practice
SA 8000®	Social accountability

The offer of Quality Austria

Quality Austria offers audits in all stated audit categories

It is important for Quality Austria to have a clear understanding of the customer's audit objectives as well as define and agree on these in advance in order to offer the best-possible audit service quality. The audit category is determined and commissioned in accordance with the objectives.

Some categories can be combined with each other as shown in Illustration 4 "Audit categories" (see page 11); limitations apply to some and others exclude each other due to contrasting characteristics and objectives (such as the investigative audit and the audit with innovation approach).

Thus, **qualityaustria** auditors provide the service that is suitable for the various customer expectations in accordance with the **qualityaustria** audit philosophy. **qualityaustria** customers can choose from a broad offer spectrum of various audits that provide a competent accompaniment for all development phases – from the audit impulse to the future strategy.

qualityaustria assessments for Business Excellence, recognition of excellence levels and assessments for the Austrian Excellence Award complete the broad audit offer.

For more information and a comprehensive overview of the **qualityaustria** service offer, refer to the current **qualityaustria Overview of Services**, which can be downloaded at www.qualityaustria.com.



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