

Q & A about QA/QM

June 2010

About Value-added Auditing

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Question:

What is “Value-added Auditing”? How shall we perform it? This looks to be different from compliance audit. How the third party auditor can do it? (From a Member of IQAI)

See next page for our response.

Answer:

1. What is “Value-added Auditing”?

“Value-added” is the adjective relating to the increasing value of a product as it proceeds through the various stages of its manufacturing process. Therefore, “value-added auditing” means the auditing increasing value of audit result or gaining more valuable audit result. The value of audit result can be measured by its usefulness and benefit to the company management.

In case of internal audits, as they are to be conducted to verify whether the current management system is working correctly and effectively, they must be useful for the company, as a matter of course.

If everything is verified to be working satisfactorily as defined, management can gain confidence. So it can be said to be useful.

If there is no nonconformity but the auditor identified the strength and weakness of each functional area and the whole company, the company can initiate the action to reinforce weak points and further strengthen strong points. This makes the audit more useful and beneficiary for the company.

There are many companies grumbling that internal audits are useless. Such companies are conducting audits merely for the sake of ISO registration. Such auditing is entirely meaningless and they should quit doing it.

In case of supplier audits, besides conformance to contract requirements and applicable standards, the auditor should identify the strength and weakness of each supplier. If they have weakness, we have to be aware of it and devise good measures to back up their weakness. So we can reduce the chance to get caught off-guards by their weakness.

In either case of internal audits and supplier audits, we do not have to do any meaningless or non-value-added audits. Therefore we can take it that it is no different from ordinary audits and there is no such a special type of audit as “value-added audit”.

2. How shall we perform it?

In order to make the audits value-added, it is most important that the Audit Program Manager (mostly, Quality Management Representative or his designee higher level manager) needs to plan the audit to make it most beneficial and useful for the company. He shall prepare the audit program and checklist to check the effectiveness and efficiency of all processes (activities) in each functional area. The results of day-to-day observation by him must be incorporated into the audit checklists, and communicated to the auditors. His planning and direction to auditors are very important. Everything that determines the value and usefulness of auditing hinges on the Audit Program Manager's good sense.

3. How the third party auditor can do it?

There are some registrars that are delivering a sales pitch, “we help you by useful (or value-added) assessment”, and many auditors are trying to devise how to make their auditing value-added, but they are wrong. If auditors do so, it will affect the uniformity and impartiality of auditing.

ISO registration audit is only for the compliance. In case of the third party audits, audit criteria are limited to the compliance with the applicable standard, and it cannot be exceeded. If they attempt to do value-added audit, it is exceeding their authority and responsibility. Moreover, value-added auditing is beyond their capability.

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