

Auditing for Improvement – Learning Objectives

1. Introduction to auditing

Learning Objectives

- Understand the history of auditing
- Know the general model of auditing
- Understand relationship between audit and inspection
- Understand the position and importance of audit coordinator

Practical Application

- Designate an audit coordinator
- Develop annual audit schedule
- Write an internal audit procedure

2. What we audit and why

Learning Objectives

- Know the 9 steps necessary to prepare for the audit
- Understand application of performance improvement audits
- Understand three basic types of processes in any organization
- Understand production processes
- Understand support processes
- Understand interface processes
- Understand how processes make a system

Practical Application

- Reduce waste and improve efficiency of local processes
- Improve communications within and between functional departments

3. The audit team

Learning Objectives

- Know the three conditions necessary for auditor qualification
- Understand the makeup of the audit team
- Understand roles and responsibilities of audit team members
- Know certification options for auditors

Practical Application

- Identify employees with auditor potential
- Improve communication and cooperation amongst functional departments
- Reduce audit burden on individual staff members
- Achieve internal and external recognition (credentials) of auditors

4. Requirements for the audit

Learning Objectives

- Know where to find external and internal requirements for operations
- Know the difference between a document and a record
- Know the different forms that documents take

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- Understand the importance of early communications with the auditee

Practical Application

- Improve internal formal (written) controls
- Reduce misunderstandings between auditor and auditee

5. Identifying activities

Learning Objectives

- Recognize and draw simple flowcharts of audited activities

Practical Application

- Improve internal communication and understanding
- Identify processes in need of greater definition
- Reduce operating risk and improve customer satisfaction

6. Notifying all parties

Learning Objectives

- Know the contents of an Audit Plan

Practical Application

- Improve internal communication and understanding
- Reduce misunderstandings between auditor and auditee

7. Analyzing processes

Learning Objectives

- Understand the simple (four-box) process model
- Understand the six universal process affecters
- Understand the turtle diagram

Practical Application

- Greater knowledge of internal processes
- Holistic understanding of operations

8. Defining information needs

Learning Objectives

- Know the five kinds of objective evidence
- Understand the difference between audit checklist and interview questions
- Know the characteristics of a good checklist question
- Understand how checklists will improve the value of gathered data

Practical Application

- Increase auditor efficiency
- Reduce inappropriate questions by auditors

9. Summary of preparation steps

Learning Objectives

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- Reminder of the nine steps and their importance

Practical Application

- Pre-audit checklist prior to fieldwork

10. Review course progress

Learning Objectives

- Allow participants to clarify and understand important concepts

Practical Application

- Confident auditors

11. Opening meeting

Learning Objectives

- Understand the need for an opening meeting
- Know who should attend the opening meeting
- Know the function of the audit guide
- Understand meeting mechanics and topics
- See an example of a detailed on-site schedule

Practical Application

- Reduce tension between auditors and auditees

12. Gather objective evidence

Learning Objectives

- Understand tracing and its application to auditing
- Understand the need for corroboration and three common methods
- Know the six steps for conducting an interview
- Understand the importance of no secrets to all parties
- Know common protocols for examining records
- Know common protocols for observing activities
- Know what objective evidence statements look like

Practical Application

- Interview Sheet for actual use
- Avoid misunderstandings between auditor and auditee
- Get an honest picture of existing practices
- Gain confidence in ability to conduct an interview

13. Analyze the data

Learning Objectives

- Definition of audit finding and other terms
- Logical process steps for writing a finding
- Focus attention on underlying disease, rather than symptoms
- Reinforce differences between audit and inspection

Practical Application

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- Format and contents for Finding Sheets
- Focus organization on system aspects of management

14. Closing meeting

Learning Objectives

- Know why a closing meeting is necessary
- Know who should attend the closing meeting
- Understand potential adverse consequences of making recommendations
- Emphasize the importance of no secrets
- Understand meeting mechanics and topics

Practical Application

- Focus management attention to system controls
- Improve communication between all parties
- Promote prompt action on identified weaknesses

15. Formal audit report

Learning Objectives

- Know common format and contents of audit reports
- Know distribution channels for audit reports
- Understand need to limit report distribution

Practical Application

- Improve communication amongst all parties
- Protect sensitive information
- Prove to others that a functioning audit program exists

16. Follow-up on problems

Learning Objectives

- Understand how corrective action supports the audit
- Understand the importance of a corrective action coordinator
- Understand the difference between corrective and preventive action
- Know what remedial action is and the common dispositions
- Know the contents and processing of a Corrective Action Request sheet

Practical Application

- Resolve organizational weaknesses identified by audit
- Keep problems from happening again
- Focus management and staff attention on important issues

17. Action plans and closeout

Learning Objectives

- Know the common methods for recording remedial and corrective action
- Know the expected audit program records and their retention periods

Practical Application

Auditing for Improvement – Learning Objectives

- Prove to outsiders that audits are finding and correcting problems
- Avoid keeping too many records too long

18. Course summary

Learning Objectives

- Reminder of important concepts for the audit
- Bring the training event to closure

Practical Application

- Imbedded knowledge of audit principles and practices