Internal Auditor Techniques: Identifying Easy Targets

Every facility has potential problem areas that the Internal Auditor should be aware of. The following are examples of this and should be carefully identified and outlined by the Internal Auditor prior to the audit.

Complex Activities
Complex activities are likely to have unofficial shortcuts associated with them. These can result in deviations from approved procedures and even lead to unsafe practices. An Internal Auditor should keep in mind the possibility that these shortcuts exist and scrutinize them to the highest extent possible.

Old Procedures
Another potential problem area is outdated procedures. During the internal audit, the approval and the date of the last revision should be checked on each procedure. If the date of the last revision is older than two years or if the procedure was written and approved by someone who is no longer employed by the company, there is a chance that the procedure is no longer synchronized with the overall activity.

In the case of facilities which rely heavily on written procedures, the problem of outdated procedures can have a dramatic impact on the functioning of the facility.

As the auditee, it is recommended that you review all your procedures ahead of time to make sure they are still current and reflect the reality of your operations. A review schedule should be established if you do not have one.

Department Interaction
Efficient communication is the key to the successful functioning of any facility. Problems often arise from miscommunication between various company departments. Where several parties need to cooperate in order to ensure the intended outcome, it is necessary to see how smooth the communication really is. This is another area for an Internal Auditor to check during the audit.

As the auditee, you should keep records, meeting minutes and other internal documents up-to-date and ensure their accessibility at all times.

Unrealistic Requirements
Attention should be paid to unrealistic requirements. Requirements that are introduced in response to accidents by way of preventative measures might not be optimal. Knee-jerk reactions are common and understandable, but usually unhelpful in the long run. All the requirements need to be reviewed and adjusted to reflect the current conditions of the facility. Anything that seems excessive might indicate a potential cause for concern.

Old Facilities and Equipment
Customer requirements and the technology used to satisfy them evolve over time, and equipment needs to be upgraded to reflect changes. Anything that appears to be old, badly maintained or not in line with the current state of technology may indicate an issue. Equipment must be fit for
Temporary Fixes

Very often stopgap measures that are supposed to be temporary become permanent solutions. Stopgap measures may not only hinder a solution for the initial problem, but they can also further jeopardize the functioning of the program because of their inherently short-term nature. Whenever an Internal Auditor comes across such temporary fixes, he or she must find out how temporary they are and whether they managed to serve the intended purpose. As the auditee, you must oversee all the temporary fixes at your facility and make sure they do not turn into informal and unapproved permanent solutions.

Ineffective Customer Flowdown

Although it seems unfair, non-compliance issues may be traced back to source and caused by ineffective communication from the customer.

As the auditee, you need to make sure that all requirements are clearly written and that any deviation to a frozen process is pre-agreed in writing by the appropriate authority, so that you can provide this evidence to the auditor.

Conclusion

There are a number of potential problem areas which can often be found in Internal Audits. It is recommended that the Internal Auditor pays special attention to these areas and makes sure to include them into the audit outline. The auditee should be aware of the existence of any such “easy targets” at his or her facility and be able to provide comprehensive evidence demonstrating the current state of affairs to the auditor.

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