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Internal Audit Quality Procedure Evaluation to ISO 9001:2008 Submission in Casablanca Club



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ABSTRACT

The aim of this study is to know the procedure and the effectiveness of the internal quality audit in the submission of ISO 9001:2008 certificates in a company. In order to realize the writing of this research, it is important to know that the data and the information of this study are an important consideration. The writer collects the data and information through research activity. This study applies the descriptive analysis method which collecting, presenting and analyzing the company data based on the available fact by field research, interview, observation, and library research. Based on the descriptive analysis in this research, it obtained: a) internal quality is a method to attain the score which determined by the external side, b) Internal audit quality has been well established by auditing the available department; c) the company measure the internal audit quality achieved through the action of every department member where the management review had been established.

INTRODUCTION

A. The Background of The study

ISO 9001 standard system quality management is an international standard which is already established for manufactural industry and service, next, through the developing era and the global marketing is available so ISO 9001 becomes obligatory for many companies in competing in the international market, by performing the service quality result.

Indonesia is one of the countries, which fully adopted ISO 9001 quality management system as Indonesia National Standard 19-90000 (SNI 19-90011-2005) which support all company in Indonesia to produce more effective and productive services. ISO 9001 standard quality management system implementation can be used as a proof that the company has produced the good product or service, in other word ISO 9001 certificate can be used as a business ticket for the company in the world trade competition.

The company successful which has accepted the ISO 9001: 2008 shows that company has been assessed and the result was passed the qualification based on the ISO 9001-2008 standard through the management quality system qualification, documentation, management responsibility, human resource management, product realization, measurement, analysis, and improvement.

The importance of ISO 9001:2008 quality management system implementation effect on regulation that is the applicant who enrolls in a company is supposed to understand the ISO 9001:2008 standard. Casablanca Club is a company that established in facilitating and servicing the health and sports field. This company is in the process of submitting the ISO 9001:2008. Previously this company has gained the ISO 9001:2008 certificate. This company target is to acquire the best quality and improve the service quality continuously. This is to fulfill the demand and business enterprise competition, which are getting tighter, so at the end, it owes the competitive excellence within the company.

One of the minimum requirements to get the ISO 9001:2008 certificate is by doing the internal audit quality before the external party auditing. Internal audit quality in management quality system includes the controlling and supervising. Internal audit quality is a process that must be done by the company, which maintains the quality management system.

Considering the previous explanation, the writer is interested in analyzing the quality measures that can be used by the management to evaluate some efforts to improve the product quality. Therefore, the writer arranges this study under the title "Internal Procedure Audit Quality Evaluation to ISO 9001:2008 Submission on Casablanca Club".

B. Problem of the Study

The problem of this study is how the company measures the internal audit quality achievement as a basis of ISO 9001:2008 submission.

REVIEW OF LITERATURE

A. Quality Audit Understanding in General

a. General understanding of quality audit

The understanding of quality audit can be found in SNI 19-19011-2002 quality management system guide. In this book, quality audit definition is the systematical process, independent and documented to obtain the audit-proof and evaluate it objectively to define the audit minimum requirement completeness. Quality audit system aim is to define the suitable level for the organization activity toward the ISO 9001:2008 management quality standard system which has been defined and the effectiveness of the system arrangement.

b. The audit purpose and benefit

The resulting audit can be used to various needs. The most audit central benefit is as the basis to get the decision, evaluation, improve the organization function efficiently and effectively. Through the auditor research result information and recommendation and presented, it would be the leader of the operation unit take an action of revising to improve the effort efficiency, effectiveness and productivity directly.

The audit process is a learning media and the unvalued development for the auditor itself. Through the audit process, there is the deepest understanding of the organization operation and also the specific problem in every function in an organization. Therefore, consciously or not, the auditor has learned the process of organization management comprehensively and functional management intensively.

From the understanding above, it shows that the purpose of the quality audit is to obtain the

data and it obtained the significant and factual information as the basis of decision-making, management return, revision and/or transformation. The audit finding should be analyzed and assessed the value and the suitability of the ISO 9001:2008 standard. The result of the auditor finding will be used as the basis to decision making, management control, revision and/or alteration.

These are the explanation of the quality audit general purposes:

1. To obtain the problem priority meet by the organization.
2. To plan business development.
3. To fulfill the management system requires that used as a reference.
4. To fulfill the regulation requirement or contract requirement with (such as) customer.
5. To evaluate the supplier.
6. To find out the organization activity risk potency.

Meanwhile, the purpose of the quality audit specifically is to give a feedback about the organization achievement in these following explanations:

1. Directing the target achievement to give the sense of urgency,
2. To find out the revision tendency,
3. To make sure whether the system has applied effectively or not,
4. To detect any storage toward the quality policy as early as possible.

c. The quality audit step

Generally, the steps of the quality audit are:

1. Initiation phases

When the client has clarified his desire to use the quality audit, so the third party who involved that is the client (an individual, department, or a group of people who want to be assessed), auditee (an individual, institution, location that assessed) and the auditor should

make finding for audit initiation. In the first meeting, the consensus agreement should be achieved concern with the audit aim and purpose which is suggested, the standard reference that used to measure or a comparison tool toward the documentation and activity, the selected auditor, the sequence and schedule from the important occasion deal with the auditing.

2. Planning phase

The internal auditor planning quality audit activity consists of these following statements:

- a. The quality implication audit determination,
- b. Understand the resources that needed for auditing,
- c. Audit schedule,
- d. Preparing or collecting the audit worksheet,
- e. Defining the sampling procedure that will be used by the auditor.

1. Implementation Phases

Quality audit implementation concern with:

- a. Meeting with the audit manager for the first contract,
- b. Doing the survey audit location,
- c. Doing the audit suitability and audit program,
- d. Preparing the worksheet
- e. Doing the operation meeting with the audit staff
- f. Doing the audit review and management review

2. Reporting phase

The audit report is a product of audit activity. The audit report should satisfy the client/customer's needs. The audit result should document a report or learning draft (it is better on the next meeting after the audit) with the audited activity management. The auditor and auditee probably emitted the report at the same time for the credible report, the report

should be balanced in perspective and do not based on certain wants.

The report should be in:

- a. The aim and the audit context,
- b. The audit planning specification, including the audit personnel, the date of the audited activity,
- c. The specification should be placed on the standard specification, lists or other reference used when auditing.
- d. Audit observation, include the supporting proofing, conclusion, and recommendation,
- e. Recommendation for the retirement occasion.

3. Completion and closure phase

The quality audit main purpose is to clarify for the client the quality status program toward the suitable needs by the definite standard and initiate the evaluated action if there are some weaknesses or blackness in the auditee. Generally, the auditor avoids the involvement in designing the creative action, which makes it effective.

B. The ISO Internal Audit requirement

1. The audit basic

The organization should do the internal audit in a planned period to define whether the management system:

- a. Fulfil the international standard requirement and management system requirement with the organization determination.
- b. Applied and maintained effectively.

The audit program should be planned with some consideration:

- a. Status and the importance of the process and the audited sector.
- b. The previous audit result.

Criteria, sector, frequency and audit method should be defined. The chose of the auditor and auditing accomplishment should make ensure the objectivity, and the auditing process accomplishment not to be partial. The auditor may not audit his or her own task.

The management should responsible for the audited sector, ensure the evaluation or the prevention will be accomplished the sooner to delete the unsuitable findings and its cause. The further activity action should include action verification and the result of verification report.

The definition of audit internal is a systematical process, independent, and well documented to obtain the audit-proof and evaluated objectively to define the level of the audit criteria fulfillment, which has been agreed.

The audit purpose:

- a. To inform the organization or department achievement,
- b. To direct the job target achievement,
- c. To give the sense of urgency,
- d. To find out the revision opportunity,
- e. To define whether the system has applied effectively or not,

The aim of the internal audit is:

- a. To show the suitable and unsuitable proof on management system,
- b. To appraise the needs for revision, avoidance, and improvement,
- c. To observe the auditing readiness by another party (second or third party),
- d. To stimulate the maintenance and revision concern with the agreed activity,
- e. To maintain the organization quality awareness.

External side:

- a. To fulfill the management standard system requirement.

- b. To fulfill the certification/registration committee requirement.

Audit criteria:

The audit criteria is a policy collection, the used procedure as the reference for vision and mission further consideration, work target, SOP, job instruction, form, governor policy, and so on.

1. Audit planning

The audit plannings are:

- a. The pointed management representative/lead auditor who make the audit annual schedule that agreed by the management,
- b. The effective period, at least twice in a year,
- c. Schedule socializing with the whole process or department and committee.
- d. The schedule could be based on processor department and also the available committee
- e. Should be proportional,
- f. Considering the previous finding status,
- g. Make the priority for certain area

The criteria for the auditor are:

- a. Well comprehend the business process, the company vision, and mission,
- b. The expert in his work field,
- c. Well comprehend the general ISO 9001 requirement,
- d. Understand the available policy or regulation,
- e. Well trained as an auditor,
- f. Comprehend the internal audit procedure and revision and prevention,
- g. Well mastered the technique of auditing checklist making, auditing, auditing

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documentation, auditing result report, and audit verification result.

Auditing preparation

The auditor preparations are:

- a. Making the audit plan,
- b. Document reviewing, comprehend the process and note on the audited field,
- c. Analyze the related requirement,
- d. Inform the related head department,
- e. Agreeing the date or audit time with the auditee,
- f. Checking and confirming the tools needs and measurement advice needed when auditing,
- g. Checking the previous findings,
- h. Preparing the audit checklist.



Audit executing

The audit executing can be in following ways:

- a. Interviewed the auditee,
- b. Observation, observing the process implementing compare with its documentation,
- c. Investigation, checking the process evidence documentation, like procedure job instruction, specification, and so on,
- d. Data examination,
- e. Activity observation,
- f. Condition observation,

In auditing, the evidence is collected objectively without any influence.

Documenting and reporting the audit result. After auditing, the internal auditor should make

the report. The report should make in:

- a. Using the CAR(corrective action request) format,
- b. Data composing (process, auditee, the audit date (completely),
- c. Writing the findings,
- d. Define the type of the findings (mayor, minor, revision opportunity,
- e. Discuss the date verification by the revision.

The next phase is after auditing and reporting. The internal auditor team calls all the auditee to do attend the closing meeting.

The closing meeting is used for:

- a. To clarify the audit purpose,
- b. To explain the audit result completely,
- c. To count up the findings,
- d. To plan the revision for the teamwork.



Further action for further action

The next step is the auditee does the finding revision and the auditor should control the revision.

C. Internal quality procedure audit

1. Definition

According to Sawyer (2009), the procedure is a facility to apply the activity based on the available policy.

Based on Djatmiko and Jumaedi (2015-51) quality internal procedure is an activity in implementing the quality management system, how the related process is done, controlled, and documented.

Based on the explanation above, the writer concludes that the procedure is a facility used to an implementing process of the quality management system, how the related process is done, controlled, and documented.

The quality audit internal procedure needed to verify the quality management system activity based on the available regulation and ensure the ongoing system effectively.

Two terms should be well comprehended in auditing:

- a. Auditor: the people who verifying the quality management system activity based on the requirement.
- b. Auditee: people or any department that audited and being responsible for the audits area to ensure the quality management system running based on the requirement.

Purpose

The purpose of the audit is:

- a. Checking the quality management system whether effective or not,
- b. Checking the client requirement whether identified in process and product that produced based on the client's wants or not.
- c. Checking the ISO suitability based on company documentation,
- d. Checking the target achievement or performance that set the company,
- e. Identifying the action opportunity and improvement opportunity.

Field

This procedure includes the internal audit team determination process, audit schedule determination, audit result report arrangement, revision, and further audit result action.

General Specification

- a. Internal quality audit was done by using the auditor in a company and have trained as an auditor.

- b. The internal quality audit is to ensure the quality management system implementation and identifying and revise the unsuitability in quality management system implementation.
- c. Internal quality audit accomplished periodically, at least three times in a month.
- d. Internal quality audit is unscheduled, it happened when needed,
- e. The internal quality audit done by the auditor pointed by the management representative and general manager based on the skill consideration and independent,
- f. The internal quality audit should check the previous internal audit.
- g. Audit finding classification and definition.

Unsuitability

Every possible unsuitability can arise inactivity processor output activity/ unsuitable with the regulation/ the available regulation in company quality management.

Based on:

Activity process based on the general standard regulation that agreed by the company quality management.

Audit finding scoring definition:

0 = there is no system

1 = the system is not implemented

2 = the implemented system needs to be improved

3 = the system has well established/effectively.

Recommendation

The suggestions that can decrease the unsuitability potency or it can be the improved potency.

D. The Internal Quality Audit Relation for ISO 9001:2008 Certificate Submission

One of the requirements for ISO 9001:2008 certificate submission is the internal quality audit procedure done by the entity before the external party does the audit. According to Sawyer (2005), internal investigating is:

A systematic and objective research by the internal auditor toward the operation and different control in the organization to define whether:

1. Operational information accurate and proved.
2. The company possible risk has identified and minimalized.
3. External regulation and policy and accepted internal procedure and followed.
4. The satisfied criteria is fulfilled.
5. The resource has used efficiently and economize
6. The organization purpose was achieved effectively. Everything run for a purpose to be consulted with the management and help the organization member in running the responsibility effectively.

Based on the definition above, according to ISO 9001:2008 internal audit is a process with the aim to achieve the confirmation related to:

- a. The operational information truthfulness,
- b. The process of the company management is based on the company standard effectively and efficiently.

According to ISO, internal audit has the major role to support the transparent and independent company business management.

From the internal quality audit understanding, it can be seen that one of the internal audit tasks is reviewing the available system to see the suitability level with the external policy, regulation, and the internal procedure that agreed including the principles written on ISO 9001:2008 guideline.

MATERIALS AND METHODS

This research applied the descriptive analysis method which collecting, presenting, and analyzing the company data based on the available facts. Below are some steps:

1. Field Research

This study is comparing the given theory while studying in the classroom and it really happened in the reality. The writer comes to the company directly. The technique of collecting data is:

a. Interview

The writer collects the data and any information by questioning and answering the company internal auditor.

b. Questionnaire

The list of question-related to the internal quality audit procedure to the company auditor leader.

c. Library Research

The library research is taking some material related to the quality evaluation procedure to ISO 9001:2008 certificate submission or any sources like learning material in the classroom and library. This research methodology is a more secure data source supporting the primary data.

2. Technique Analysis

In this method, the writer applied the internal quality audit questionnaire with two answers choice, those are “yes” answer and “no” answer. The “yes” answer shows the trustworthiness in internal quality audit procedure established by the company. The “no” answer shows the unsuitability toward the company internal quality audit procedure certainty.

RESULTS AND DISCUSSION

A. The Internal Quality Audit Implementation

Auditing in quality controlling is well planned and systematically. It means the audit implementation is based on the arranged schedule and by the pointed team member and hold on schedule.

This audit is established in the implemented system by the management. The audited system established by the different department so the correct audited department is based on systematical schedule.

The whole activity should have the aim based on the company situation and condition. And also the audit on company quality control so the whole activity aimed and directed based on the purpose.

Below is the aim determination:

1. To ensure that the established system runs based on the available regulation in every department, its procedure, and everything support the system establishment.
2. To ensure that every revision or improvement of the quality system has established and further action correctly based on the available procedure.

The previous audit was established in March 2015.

Below are the audit phases of assessment:

1. Before one period on the calendar ended, MR should arrange or produce an annual schedule from the quality control internal audit for the next 12 months. That schedule should concern with:
 - a. Every area of the audited company physically will be audited at least once in six months. The audit frequency for every area depends on the previous audit finding. If there is a problem after the second audit, so the audit frequency will be decreased once in a year.
 - b. The auditor leader name who is auditing, when having the job, on what area so he can prepare himself as the main auditor. This schedule is signature and given by MR or the representative.

2. Before auditing, MR will identify the auditor leader to establish the audit task formally, with this following note:

a. An auditor may not audit their own department area to prevent the conflict of interest.

b. The agreed auditor placed by the auditor has finished the education/formal trainer of internal quality audit and has been considered by the company management had the good ability and personality for auditing. All the memo will be sent to the related auditor, at least two weeks before, related to the area and time for auditing. For the auditor is provided:

1. The copy of the last audit report for placement area.

2. The copy of the completely relevant checklist also the available reference.

3. The reported paper should be filled.

3. The auditor should inform the manager of the related area about these following things:

a. Time approval for auditing. If it is not matched with the schedule, there should be an announcement to MR for further action.

b. Gaining the example of the documentary copy from the completely representative concern with the quality control in that department such as procedure and job instruction.

c. Asking for the involvement of the whole department part for audit area preparation, to be a guide while on the field and for the opening and closing meeting.

4. The auditor should prepare the audit implementation, by making the checklist as a remembering note, with the available document analysis source, and the last audit note. The checklist copy sent to MR after the crosschecking so it can be used as an input for the next checklist record.

5. To ensure that the area manager well comprehends what will happen, the auditor will do some opened meeting. At that time, the auditor will explain:

a. the aim of the assessment and evaluation

b. reporting method

- c. some help that needed while auditing.
 - d. the time allocation for lunch/break and closing meeting.
 - e. the answer to all questions asked by the auditor.
6. After auditing and interviewing auditor and auditee do the agreement about the unsuitability that found by the auditor. It does not hold on in front of the audit subject because it will decrease their motivation. If the auditee cannot sign, it can be agreed by the relevant manager.
7. The auditor should write all report that will be presented at the closing meeting, so it will be clear what will be presented. For additional for the unsuitability so the auditor can propose the recommendation for revision related to the real condition.
8. for the closing meeting, it is not more than thirty minutes on the agenda:
- a. thank for the good teamwork, propose the positive aspect of the department.
 - b. discuss the unsuitability audit finding.
 - c. agreement for the corrective action and also the time allocation.
 - d. answer every question.

Anything that cannot be finished, it can be proposed to MR for finishing. If it needs any other special visitation, it should be written on the audit report.

9. The auditor should agree any logic corrective action is taken and note in detail the real report before submitting to MR. if the auditor cannot do the special visitation so MR should command another related auditor.

10. If the corrective action has taken, the auditing can be closed. The thing that unimportant which is unsuitability should get any further action at the next audit plan.

MR should review the completely new audit findings and the completely significant finding should be noted on management review.

B. The Internal Quality Audit Report

The management role is to make the consistent quality policy commitment that is the quality system admitted by the international. The quality policy commitment is a question related to company quality policy in writing, proposed and validated by the company leader and documented in company quality system documentation and called for commitment.

The commitment is needed to avoid the company inefficiency management. Therefore, the leader should endeavor so the whole company quality management system still solid and run orderly. The meaning of the quality system is the company has the legal and admitted organization structure; every part in the company structure has its own responsibilities, procedure, the activity process arrangement and source to implement the quality management system.

The ISO 9001:2008 certificate submission by the company, it gained when there is a commitment from the management committee, even the top management or management representative, and from the operational employee side. The poor commitment from the company to establish the ISO 9001:2008 quality management standard system affect the lack of possessively of the employee to get the certificate. The employee believes that ISO 9001:2008 would not give them any benefit.

The employee opinion arises as the company ignores the note written on CAR (corrective action request). The proposed prevention or revision by the employee usually does not get any response from the company. The company usually does not care about the suggestion for prevention or revision because it relates to the financial and the member will decrease continuously.

In the assessment, the auditor staff follows the procedure provided by the management so the systematic evaluation and it still on the track based on the company needs. From the analysis and evaluation by the auditor while evaluating, so everything can be seen clearly, unsuitability or observation. The audit report is a legal document communicates the audit findings to the management and the auditee.

By seeing the company internal audit quality, it said that the planning covers all functions in the company, so the internal audit runs well. Before auditing, the auditor should survey first as the general procedure to analyze the activity or the audited process. After surveying, the

auditor evaluates and asks questions related to the department. After the auditor finds the unsuitability toward the quality procedure, the auditor writes on the internal audit quality report and gives advice on it whether:

1. Less comment (excellent)

This predicate is given when the ISO 9001:2008 quality management system implementation by the auditee has matched with the agreed certainty in ISO 9001:2008 quality management systems.

2. Minor

When the ISO 9001:2008 quality management system implementation is not suitable yet with the available certainty written on ISO 9001:2008 quality management system documents, the unsuitability can be revised soon.

3. Mayor

If the auditee does not accomplish the ISO 9001:2008 quality management system as mentioned in ISO 9001:2008 quality management system document, the unsuitability is proposed related to the quality product and process directly.

Besides that, there are two types of supporting reports. Those are:

1. NCR (Non-Conformity Report)

NCR is a reporting report of the unsuitability that happened and needs correction as the further action soon. In other words, there is a higher inefficiency at the audited part.

2. Observation

Observation is a report that reports any events that happened and the error level is minor. This report meaning is the establishment efficiency and less influence toward the quality and product system unity.

The further action is correcting the suitability that found. It should be ensured whether the further action has established on the unsuitability area. The experience shows that the company is able to develop the self-correction system effectively so it saves the suitability and the system implementation fulfilled.

The auditor evaluates aim is not to find any mistakes. If the auditor finds any unsuitability so, the further action that implemented should ensure that thing would not happen in the future

The evaluation or audit does not find any unsuitability do not mean fail in its activity. The auditor should be professional, it means he really audit based on his ability and work based on the available procedure. Through that manner, the auditee can see the auditor as a chance to learn further and do the self-correction.

By doing the internal quality audit based on the available procedure that every audit process and finding should take any revision directly, so the ISO 9001: 2008 certificate submission can be finished before the external party does the audit it gained and also can be improved into the other quality standard.

CONCLUSION

Based on the analysis result and discussion on the previous chapter, it concludes that:

1. The internal quality is a facility to achieve the certain score determined by the external party.
2. The internal quality audit has established by auditing the department.
3. The company measures the internal quality audit achievement by the members of the department on every finding where the finding found the further action is doing the management review.

SUGGESTION

Based on the conclusion above, it creates suggestion:

1. On ISO 9001:2008 certificate submission, the company internal auditor should maintain to give the recommendation on every revision from every audit result to the completely audited department, which has to achieve the certain score fixed by the external party.
2. The auditee is suggested to be paid attention the note written on corrective action (CAR) for prevention and revision, by doing the check list regularly

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