Internal Audits—One of the Keys to Your Company's Success

The aerospace industry has long accepted the need for an internal audit program as part of a company's quality system. At times these internal audit programs were not always well constructed or properly implemented and, as a result, were of limited value to the company.

Recently there has been a greater appreciation for the value of an effective internal audit program. This article addresses two aspects of an effective internal audit program: Basic Philosophy and Management support.

Philosophy of Internal Audits

Unless a company has a positive and proactive philosophy towards internal audits, it is unlikely that the necessary effort will be put forth to make it effective. A philosophy like the following one will help drive the company to give the internal audit program a focus and purpose.

We firmly believe that a company with a strong internal audit system is serious about quality, and is more likely to produce high quality product.

The purpose and goal of the internal audit program also needs to be established and reinforced. Many have come to believe that an internal audit program serves two purposes: to assess the degree of compliance of your personnel and practices against your published policies and processes; and to provide opportunities for continual improvement.

Internal Audits Need to be Different From External Customer Audits

Internal audits need to be designed to uncover the “real world” of how your company operates. In many ways external/customer audits are conducted as a “game”: the customer tries to find out what the audited company is doing wrong, and the audited company tries to conceal it from them. An effective internal audit program must take the opposite approach.

The goal of an internal audit program should be to uncover as many compliance problems and new ideas for changing practices and procedures as possible. After all, the best way to improve your operations is to do it yourself - rather than have your customer force you to respond to problems that you have caused them. Management, auditors, and those being audited need to believe in this approach - and act accordingly. Employees must not be criticized or chastised for internal audit findings.

Management Support

Internal audit programs will not succeed without top management support. Management shows support by requiring personnel to be at work the day of the audit - no vacations, large company meetings, or other distractions which will hurt the effectiveness of the audit. Auditors must be given the time necessary to perform the audit correctly - and management must pay attention to the follow-up on the findings and insist on good corrective actions, their implementation and effectiveness.

An Effective Internal Audit Program is Key to Consistently Good Audit Performance

Management also shows the importance of the internal audit program by evaluating the results of the audits and making corresponding changes to policies and processes based upon the results.

In return, management has the right to expect the following as a result of the internal audit program:
• Improved conformance of practices
• Improved practices and procedures (as changes to the processes which are discovered or suggested by the internal auditors are incorporated)
• Improved employee morale as employees bond together to help improve their company’s process - which should result in less waste - and more profit from operations
• Reduced costs of processes as they are improved
• Improved performance on external audits (thereby gaining greater customer good will)

A strong internal audit program will provide your company with key information to continually improve your operations. Take time to review your audit plan and management and employee commitment to the internal audit program, and take action now to ensure your internal audits provide true and actionable results.

Preparing Your Operators for an Audit
Thorough preparation for your Nadcap commodity audit is an essential key to your successful accreditation process. But preparation does not mean a quality manager and a few trained auditors scouring over procedures and specifications. Nor does it mean for that same group to go around and verify compliance to a checklist. It does mean getting everyone involved in understanding the scope of the audit. There are two methods of preparation for the audit. The first is the utilization of the Supplier Mentoring program. A statement by Dan LeMasurier of West Coast Aerospace in the October 2007 Communiqué Flyer sums it up: “It is very important that the company that is being mentored enter into the process with a team spirit attitude: it is not an activity undertaken by an individual but by a collective effort of the whole company.”

That brings us to the second method of preparation – job audits. The one group of personnel that tend to be ignored is the key operators/participants of the commodity being audited. Performing job audits throughout the year provides personnel time to learn the content of the potential questions to be asked and the company time to review compliance to specifications and process flows.

Keep in mind that your personnel, as adults, will decide for themselves what is important and whether they think there is value in understanding the questions involved in the checklist. Therefore, it is critical that you emphasize, one-on-one, the value and importance of the checklist. Stressing to them that their responses and actions to the questions can help solve existing problems and avoid future product compliance issues and audit findings will help secure their commitment to perform to the maximum capability. Also, performing one-on-one job/process audits on a frequent basis will help the employee to become comfortable with their knowledge of the process, with the audit process as a whole, the checklist requirements, and being approached by auditor. It will help alleviate, but not eliminate, the nervousness an employee experiences during the audit process.

How your employee responds to auditors is a reflection of your company’s performance capability. Is it not important to involve them in the preparation?

Resources:
Nadcap Communiqué Flyers (October 2007, February 2008)

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Visit: www.empire-airblast.com

Dan LeMasurier
West Coast Aerospace

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