



Auditing for Prophet or Profit

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Basic Auditing

- **Report document inadequacies**
- **Report ineffective implementation**
- **Report failure to maintain system**

Maintain readiness for external audits

Customer Expectations

- **Cost of doing business?**
- **Cost of prevention?**
- **Management strategy for improvement?**

Management Partner

■ *Link findings to business needs*

- *R/P Matrix*

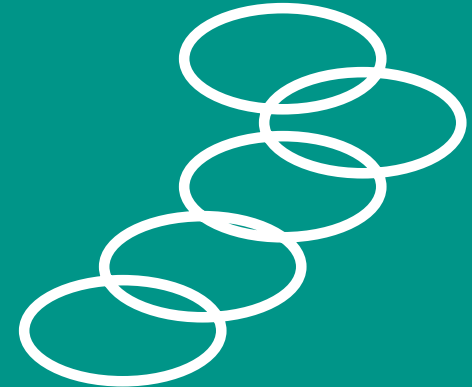
 - Cost - Opportunity - Risk*

- *Non financial*

 - work environment*

 - community*

 - diversity*



Excellence - Outstanding

- *Assess Effectiveness*

- *Define*

- *1996: After the Quality Audit*
- *1999: ISO/DIS 9000*
- *1999: The Quality Audit Handbook*

Effectiveness

- ***Optimum balance***
 - ***Output goals***
 - ***Process***



~~*The end justifies the means*~~

Peak processes ensure desirable outcomes

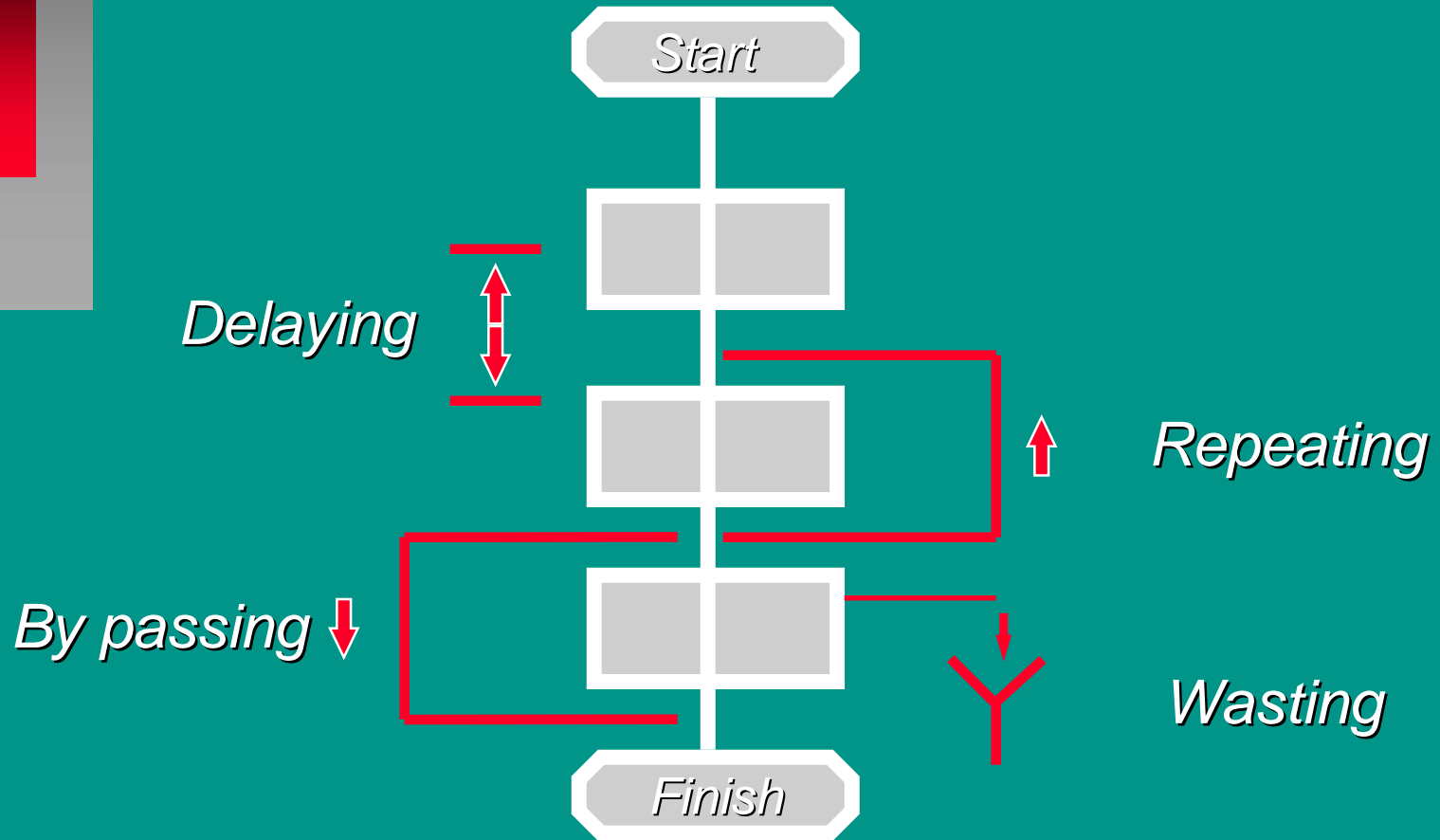
Process Performance Indicators

- *Delaying*
- *Repeating*
- *Bypassing*
- *Wasting*

Radar Scan



Process Performance Indicators



Sampling for Performance

- ***Representative***
 - *Random Sampling*
- ***Extra thorough***
 - *Larger samples*
- ***Known suspect areas***
 - *Directed Sampling*

Stallite Scan



Directed Performance Sampling

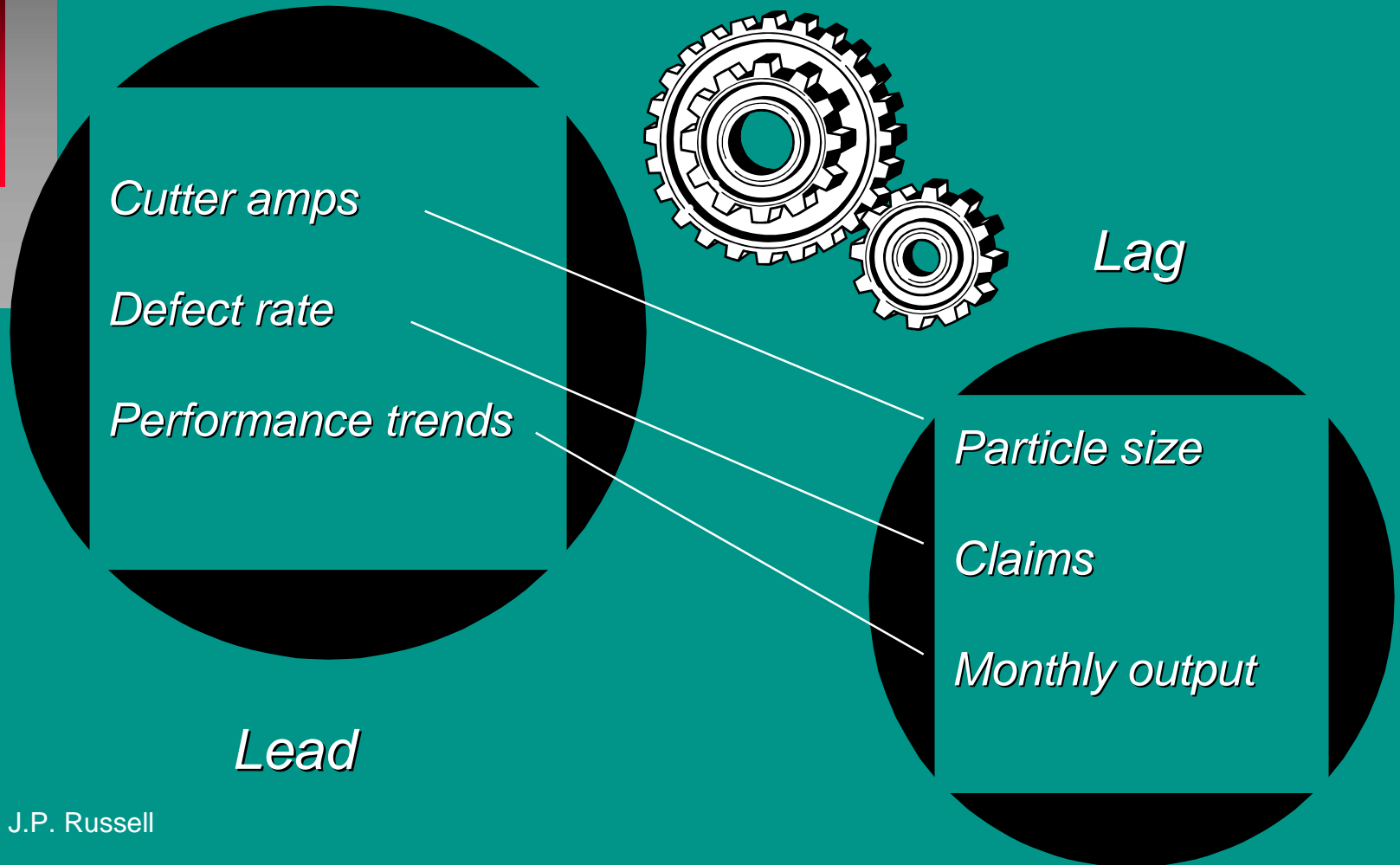
- *Meet with customers*
- *Brainstorm*

*Backlog of CAs
Excessive changes
Hold areas
Out of the way areas
Tour
Check attendance
New processes
Missing responsibility*

Analyzed Performance Indicators

- ***Lagging indicators***
 - *past laurels*
 - *records for verification*
- ***Leading indicators***
 - *future performance*
 - *basis for adjustments*

Indicators



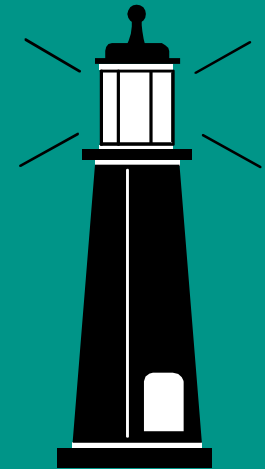
The Prophet

- Continuous compliance
- Continuous improvement
- Continuous failures

IN-CONTROL or IN-TROUBLE?

Auditing of the Future

- *Find weaknesses and rectify*
- *Forecast performance and plan*
- *Share best practices and grow*



Power Process Audits

- *Part of business strategy*
- *Audit objectives linked to organization goals*
- *Value added*

Auditing for: *Continuous Improvement*

- *Fix what you find*
- *Improve process performance with power audits*
- *Assess the system to identify new directions*