



Internal Audit Procedure

Version No: 1.0

Date: May 03, 2017

Revision History

Version	Date	Prepared by / Modified by	Change Summary	Approved By	Approved On
1.0	2-May-2017	Sridhar	First Draft Made	Anitha T G	17-May-2017

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1. Purpose

The purpose of the document is to define the activities to verify that Quality Management system is properly implemented and managed at ePATHUSA.

2. Scope

This process is applicable for the projects that are executed in ePathUSA.

3. Entry and Inputs

3.1. Entry Criteria

This is a continuous process and the audits will be planned and conducted throughout the organization at the beginning of the year. Also updated based on the feedback from management and audit observations.

3.2. Inputs

- List of Projects
- ePAL Releases
- IA Checklists
- Management Review Feedback
- Outcomes from Metrics Analysis, Customer Feedback etc.,

4. Activities

4.1. Audit Planning

- Quality Team prepares the Annual Audit Calendar that covers all the functions and projects executed in the organization. Also prepares the quality audit plan which includes team, roles and responsibilities, tasks etc.,
- The frequency of the audits is determined by the Quality Manager on the basis of project status, importance and the past audit results. At minimum all projects and functions should be audited at least once in 3 months.
- Project selection criteria for the internal audits
 - Long running projects - To be audited at least once in a Quarter
 - Supporting Groups - Quality, Training to be audited once in a Quarter
 - Small Duration projects - Respective Cycles even if they were closed.

- Management is responsible to ensure that the Quality Management System is being used by all the projects and functions.
- Management should ensure that the observations identified during the audits are appropriately addressed by the projects and functions. Any significant and consistent deviations across projects/functions have to be addressed at the organizational level.
- An Internal Auditor has to understand the ePAL and should be trained internally or externally on Internal Audit process and practices.

4.2. Audit Preparation

- The auditor has to go through the checklist to be used for the audit and plan on how he is going to conduct the audit.
- If required, he can request the project manager to share the plans so that he can go through to get an offline understanding of the project before going to the audit.

4.3. Conduct the Audit

- The auditor has to go to the venue where the audit is planned on the date and time it is planned.
- The auditee is typically the project manager or the functional manager. He can bring few additional resources as needed.
- The auditor will ask the questions and go through the documents during the audit.
- Auditor will take the notes throughout the audit which can help him later in preparing the audit report.

4.4. Report the Results

- After the audit is over the auditor will go through the notes he has taken during the audit and come out with the observations.
- The observations have to be categorized into
 - Non-Conformance
 - Observation
 - Good Practice
- The observations have to be tagged to the respective ePAL process against which the gap is identified.
- The audit results have to be updated into the audit report and shared with the auditee
- The auditee has to come out with the actions to close the gaps and if required discuss with the auditor for any assistance in coming out with the actions.

4.5. Close the Observations

- Once the actions are closed the auditee has to respond back to the auditor to verify the closure of the actions
- The auditor will verify the adequacy of actions and closed the audit observations, in case the auditor is not satisfied with the actions he will suggest the project manager on the next steps
- In case the auditor is not available the project manager can reach out to the Quality group to help them in verifying the closure of actions.
- In case any observations that are not feasible to close then they can discuss with the Quality team and take mutual agreement on how the observations can be closed.

4.6. Audit Analysis and Reporting

- Quality team consolidates all the audit observations and reports the status to management during the monthly management review meetings.
- Once in a year the team does the audit analysis at the organization level including
 - Number of NCs / Observations reported against each ePAL Process
 - Pareto Analysis by NC / Observation Category
 - Trend of NCs / Observations by Quarter
- Based on the analysis for the Top NCs/ Observations the team will do the root cause analysis and come out with the improvement opportunities
- Take the appropriate actions to address the top non-conformances / observations.

5. Exit Criteria and Outputs

5.1. Exit Criteria

This is a continuous process and gets executed throughout the year. Every year new plan will be created and the audits will be repeated.

5.2. Outputs

- Audit Plan
- Annual Audit Calendar
- Audit checklists
- Audit Report
- Audit Analysis Report
- Management Review Meeting MOM

6. References

- **Templates**
 - Internal Audit Analysis
 - Management Review MoM
 - Audit Planner and Tracker
 - Internal Audit Report
- **Checklist**
 - Internal Audit Checklist
- **Guidelines**
 - Internal Audit Guidelines
 - ePathUSA_Policy