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**Procedure
For
Internal Audits**

PURPOSE

This procedure describes the process for EA internal audits.

Authorship

This document has been written by the EA Secretariat.

Official language

The publication may be translated into other languages as required. The English language version remains the definitive version.

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Further information

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1 INTRODUCTION

This procedure describes the process for systematic examination of the effective operations of EA and its Secretariat in accordance with the following reference documents:

- the EA Management System and related documents
- the EA Governance and Policy documents
- the EA Peer Evaluation procedures documents
- ILAC/IAF A1 Mutual Recognition Arrangement: Requirements for the Evaluation of a Regional group

2 PURPOSE

The purpose of this procedure is to further define the steps for planning, performing, reporting, recording and following up on internal audits.

The internal audit will:

- improve the understanding of how EA and its bodies including the EA Multilateral Agreement Council (EA MAC) operate;
- review the existence and effectiveness of written policies and procedures and ensure that these are properly implemented and maintained;
- provide a stimulus for ongoing improvement and streamlining;
- give the EA MLA Signatory' Accreditation Bodies, EA Stakeholders, ILAC and IAF, assurance that processes are adequate and efficient and give confidence.

3 IMPLEMENTATION OF AN INTERNAL AUDIT

3.1 Frequency

Internal audits shall be conducted on a regular basis, and as planned in the EA multiannual audit plan approved by the Executive Committee. Internal audits are initiated and the process is managed by the Quality Officer. Internal audit shall be performed at the premises of the EA Secretariat. It may also cover EA bodies meetings or other activity involving the EA Secretariat and officers.

As considered appropriate by the auditor elements of the internal audits may be conducted either by email, by telephone or by webmeetings.

3.2 Auditor's Qualifications

Internal audits shall be conducted on a regular basis, and as planned in the EA multiannual audit plan approved by the Executive Committee. Internal audits are initiated and the process is managed by the Quality Officer. Internal audit shall be performed at the premises of the EA Secretariat. It may also cover EA bodies meetings or other activity involving the EA Secretariat and officers.

As considered appropriate by the auditor elements of the internal audits may be conducted either by email, by telephone or by webmeetings.

The auditors shall not evaluate any activities they have been involved in, such as the peer evaluation into which they participated as a Team Leader or Team Member or the Treasurer for the internal audit of the finance management processes, for instance.

Note: The Quality Officer and the Quality Coordinator could also be appointed internal auditors with the necessary precautions to ensure the impartiality of audits conducted

3.3 Audit Planning/Coordination and Preparation

3.3.1 Planning/Coordination

The Executive Committee is responsible for

- defining the internal audit scope and programme;
- approving the corresponding budget and mandates.

The internal audit team will be appointed by the Quality Officer.

The auditor(s) is responsible for defining the timeframe for the audit, in consultation with the audited persons.

3.3.2 Preparation

The EA Secretariat provides the auditor(s) with a copy of the agreed internal audit programme. (ANNEX A provides a guide for the preparation of the audit programme of the MAC peer evaluation process specifically).

Prior to the audit date, the auditor reviews the appropriate quality system documentation and records of implemented corrective actions from previous audit findings and adjusts the final audit programme as appropriate.

Questions to be raised during the audit are prepared by the auditor(s) in cooperation with the EA Quality Manager and any other EA officer(s), as required. They are sent to the audited persons not later than one week in advance of the audit.

3.4 Performance of Internal Audit

After having held an opening session detailing the audit process to the audited persons, the auditor completes the audit program by identifying the objective evidence for conformance with requirements against the relevant Policies and Procedures and associated documents. He/she also verifies the implementation of previous corrective actions.

At the completion of the audit, preferably while still on site or during a subsequent webmeeting, a closing session is held with the audited persons to discuss the findings.

The same rules for opening and closing sessions apply for internal audits conducted through web meetings.

The auditor shall prepare a written draft summary of his/her findings. Non-conformities and concerns shall be stated with reference to the specific clauses of the relevant documents. A copy of the draft summary shall be given to the audited persons to comment on and discuss the auditor's findings and clear up any misunderstandings that may have arisen.

Classification of findings

Finding: To be used as a general term

Non-conformity (NC): Finding where the audited process does not meet a requirement of the EA management system and the requirements of EC Regulation N° 765/2008 or ILAC/IAF. It is expected to respond to a NC by taking immediate corrective action based on a documented root cause analysis and providing the team with evidence of implementation.

Concern (CN): Finding where the actual practice may develop into a NC. It is expected to respond to a CN by providing the team with an appropriate action plan based on a documented root cause analysis and time schedule for implementation.

Comment (Cm): Finding about documents or practices with a potential of improvement; but still fulfilling the requirements. It is encouraged to respond to comments.

3.5 Reporting

After the visit the auditor shall complete the internal audit report and forward it to the audited persons within 10 days (2 weeks). The report shall be established according to the format described in ANNEX B.

The audited persons shall check the report and forward it with comments and proposed corrective actions to the auditors and, as required, the relevant EA committee/management group within 30 days of receiving the report.

3.6 Follow up

The auditors shall evaluate the proposed corrective actions and finalize the internal audit report within 60 days. The final audit report shall be discussed at the next Executive Committee.

Note: Depending on the nature of the NC, it is recognized that it may only be feasible to provide partial evidence of implementation of corrective action within this delay.

3.7 Financial resources

Costs of internal auditors are normally reimbursed through the EA budget approved by the General Assembly. Costs may be covered by the operating grant of the EC/EFTA according to the agreed mandates established by the Treasurer and endorsed by the Executive Committee.

EA-1/20 Procedure for the control of expenditures and preparation of budget and the EA Terms & Conditions apply.

3.8 Confidentiality

Internal auditors shall be requested to sign a Confidentiality undertaking. They shall keep confidential any information concerning either an EA member (including the information related to peer evaluations and complaints) or an EA staff member.

3.9 Records

Internal audit reports are stored on the EA Secretariat server.

ANNEX A GUIDELINES FOR SETTING UP THE INTERNAL AUDIT PROGRAM OF THE MAC PEER EVALUATION PROCESS

1st day

- Opening meeting
- Results of the document review
- Examination and collecting information on the basis of files about
 - application procedure
 - evaluation teams
 - process of the evaluations (quality of reporting etc.)
 - results of the evaluations
 - monitoring of activities of TFGs
 - monitoring of decision-making process
 - appropriateness of the frequency of evaluations
 - management of TLs and TMs (including Training)
- Verification of some evaluation files (vertical audit)
- Collecting information about the meetings of the EA-MAC-Management Group and the EA-MAC
- Examination of the complaints and appeals process (at the EA Secretariat)

2nd day

- summary and follow-up of the 1st day
- Verification of special findings and discussion
- Audit findings
- Preparation of the audit conclusion and proposals for improvement
- Closing meeting and discussion of the findings

Within 10 days

- Preparing the draft and final report and forward it to the EA Secretary and within 10 days.

ANNEX B CONTENTS OF THE EA INTERNAL AUDIT REPORT

1. Cover Page
 - Identifying auditor and date & place of internal audit
2. Summary Page
 - Being prepared and signed by auditor and signed by the audited persons on the last day of the audit
 - Containing the purpose of the audit, participants, criteria against which the audit is performed, activities undertaken during the audit and main conclusions on the operation of the EA bodies or processes having undergone audit (for example EA Multilateral Agreements (MLA) program)
3. Checklist of the referenced policies, procedures and associated documents used (for example EA-2/02 against the relevant ILAC/IAF MLA requirements)
4. Administration of the EA body/process
 - Comments on the implementation of the requirements specified in the referenced policies, procedures and associated documents
 - Comments on the control of documentation and records related to the operation of the audited EA body or process
5. Appendixes
 - Internal audit plan
 - Reporting of non-conformities, concerns, comments