

**HUMAN RESOURCES
INTERNAL AUDIT PROCESS
Online training on MOODLE platform of PEOPLE project**

This online course was conducted on MOODLE platform of the PEOPLE project for 18 representatives of universities – participants of the project (Promoting Educational Organisation through people 543657-TEMPUS-1-2013-1-KZ-TEMPUS-JPGR).

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The aim of this training is to provide participants with the main knowledge and skills to be able to carry out internal audits on the basis of the HUMAN RESOURCES standard and analyse the level of implementation and effectiveness. This training is based on the requirements specified by the ISO 19011:2011 on Quality Audits.

Aims:

- 1.To analyze the internal audit process and main factors to be considered for effective auditing.
- 2.To analyze each of the HUMAN RESOURCES STANDARD criteria and how the organization to be audited must evidence effective implementation.
- 3.To plan and prepare the audit checklists.
- 4.To carry out the audits throughout interviews, discussions, observations, etc. and identify the non-conformities and improvement areas.
- 5.To report on the findings and close the audit process.

Students have to done some individual and group exercises:

Exercise 1: Prepare a one page document with your curriculum to be part of the future panel of PEOPLE internal auditors

Exercise 2:List the main Human Resources GENERIC processes higher education institutions have

Exercise 3: Prepare the audit plan for 2017 for your institution

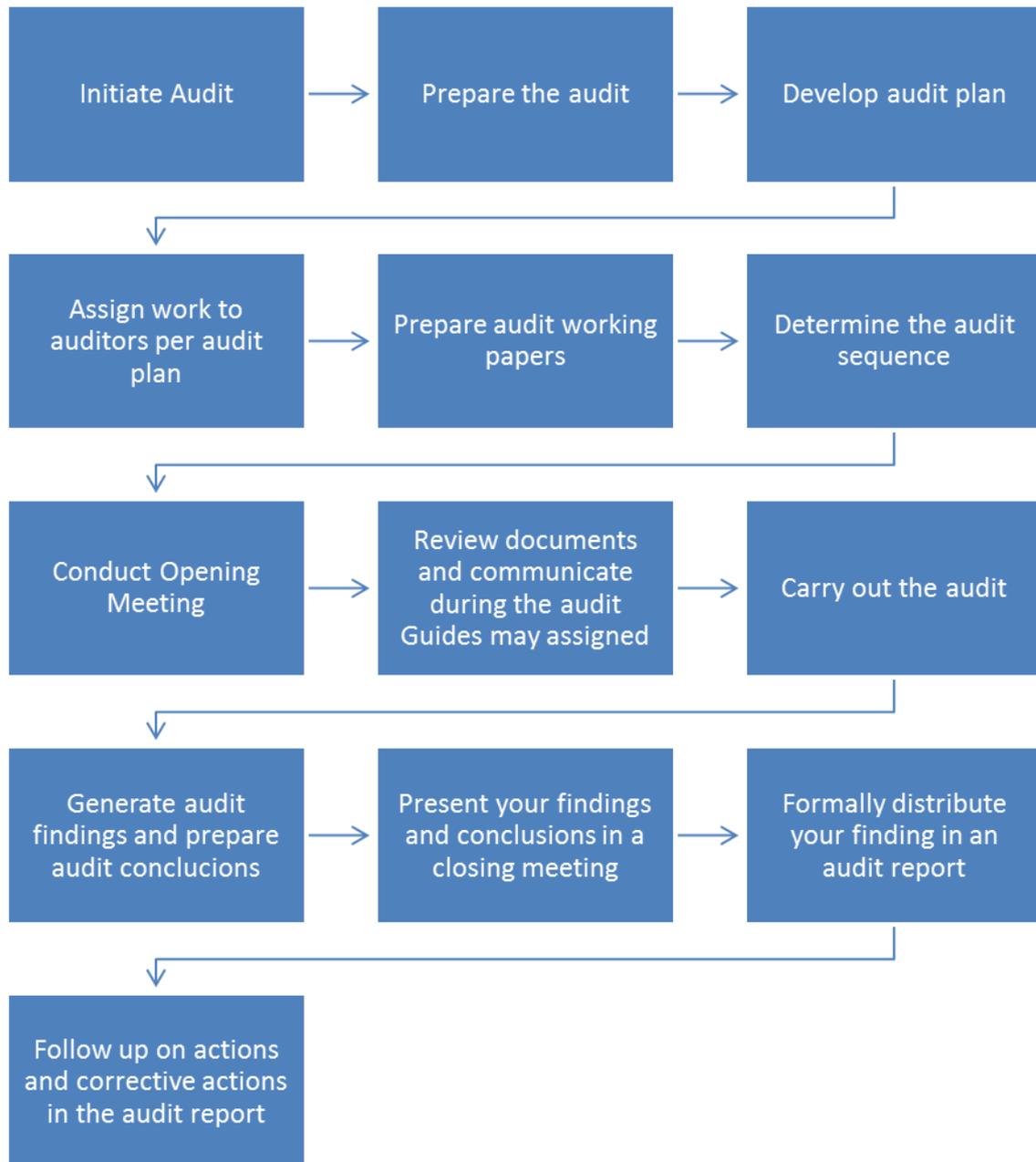
Exercise 4: Prepare the audit checklist and records to audit for your institution.

Exercise 5: Audit the selected process and prepare with your colleagues an audit report with non-conformities, improvements and strengths.

INTERNAL AUDIT PROCESS

Internal auditing has been standardised by ISO throughout the 19011:2012 requirements. This standard is applicable to process auditing such as teaching, production, service and, in our case, human resources. It's fundamental for future auditors to know in-depth this standard's recommendations as they are the basics to carry out a good audit.

13 steps for Internal Auditing using 19011



13 Steps for Internal Auditing using ISO 19011

1) **Initiate the Audit:** To start, the auditor must initiate the audit by contacting the process owner to be audited and ensuring the audit will be feasible. It is just a good

idea to make sure someone is available to present evidence when you want to audit, rather than try to surprise them.

2) **Review the Documents:** You then need to review the documents for the process. This will help you to know how big of an audit it will be, whether it might take a whole day or only an hour. This knowledge is critical for the next step.

3) **Develop Audit Plan:** The purpose of the document review is to develop your audit plan of what will be audited, who will do the auditing, when it will happen and who will be audited. Here you decide how the audit will be split up if more than one auditor will be used, and how much time will be dedicated to each process in the audit.

4) **Assign Work to Auditors per Plan:** Larger audits may assign work amongst several auditors, with each taking more than one process to audit. In this way you can shorten the amount of time that an audit disrupts the processes, such as having three auditors working for one day rather than one auditor working for three days.

5) **Prepare Working Papers:** The assigned auditor then prepares the audit working papers that will identify what the auditor wants to verify, what questions to ask, and what they expect as evidence. This will be drawn from the QMS documentation and the ISO 9001 standard.

6) **Determine the Audit Sequence:** The next step is to determine the sequence of audit from the opening meeting through presenting audit findings. If done right, the sequence of process audits can help to make the audit flow easier. Some examples are starting a large audit with a review of internal audits and corrective actions, which will give you an idea of what weaknesses have already been identified; or ending the audit with a review of documentation records and training records, because the process audits will have identified records to review, making this easier.

7) **Conduct Opening Meeting:** The audit begins with an opening meeting. This is to reiterate to the auditees that this is not a surprise audit, and is there to verify conformance rather than to find fault. Some fine tuning of the audit times can be done at the opening meeting, as well as making sure that everyone understands the scope and extent of this particular audit.

8) **Review Documents and Communicate:** After the meeting, any documents immediately presented by the auditee should be reviewed to gather relevant information that might not have been available before (an example would be a process improvement that is being used on a trial basis, but is not yet in the documentation). A general rule is that communication should be maintained throughout the audit (sometimes an audit guide is used, especially with external auditors).

9) **Carry out the Audit:** This step is often thought of as the actual audit. The auditor asks the questions, and collects the records and observations that will demonstrate if the processes meet the QMS requirements. Again, it is important to remember that an auditor is there to try to verify that a process conforms to the requirements set out, not to dig until fault is found.

10) **Generate Audit Findings:** After the auditor finishes the verification, they must generate the audit findings and prepare any audit conclusions to be presented. If all is found to be conforming, then there will

be no corrective actions presented; but if not, then the corrective actions need to be properly prepared. It is equally important to highlight best practices in a process as it is to identify any shortcomings. Some companies also use a process of having internal audits identify opportunities for improvement (OFIs), which the process owner can review and accept if they wish.

11) **Present Findings and Conclusions:** The findings and conclusions are then presented, normally at a closing meeting, in order for the process owners to understand and ask questions as well as present clarification if something was misunderstood in the audit.

12) **Formally Distribute Audit Report:** The final findings are formally written and distributed in an audit report. This gives everyone an easy reference on actions needed, as well as providing a record of the outcome of the audit.

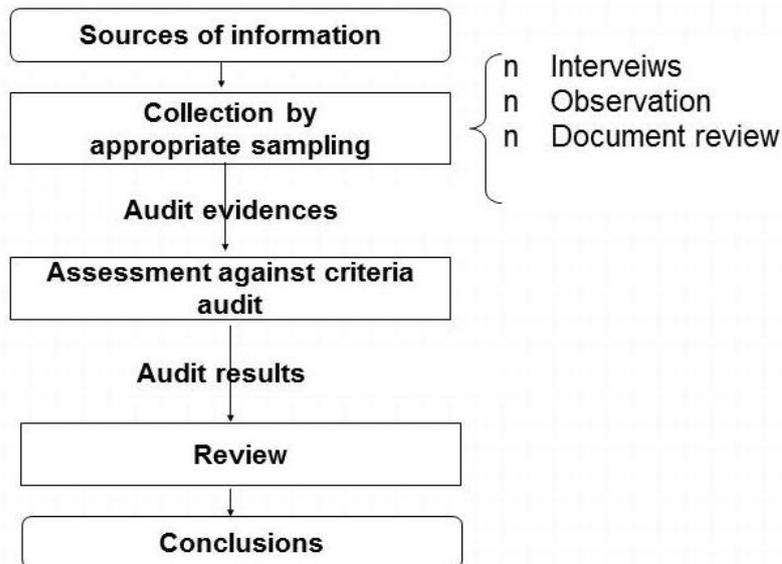
13) **Follow Up on Actions / Corrective Actions:** Probably the most important part of an audit is for the auditor to follow up on any actions, as a way of ensuring remedial action is taken and completing the audit. Without follow up of corrections and corrective actions, the same problems could be found continually during subsequent audits, which defeats the purpose of the audit being done

Audit development

Opening meeting

- Defining objectives, scope and audit criteria
- Presentation of the audit team (knowledge and skills - technical experts)
- Request access to documents
- Confidentiality
- Make arrangements on the presence of observers

Auditing



Conclusions

The audit team should consult before the Final Meeting for:

- compiling the results of the audit,
- review the audit findings,
- agreed conclusions of the audit,
- prepare recommendations, if required by the objectives of the audit,
- discuss the next steps to be taken, if included in the audit plan.

Audit reports

Additional contents of the Audit Report may be:

- summary of the audit process, including uncertainties and obstacles encountered;
- any unresolved diverging opinions between the Organization and the Group audit;
- recommendations for improvement.

The audit report must be reviewed and approved and distributed to recipients designated by the audit client.

Post-audit actions

Corrective action, preventive or improvement decided and carried out by the organization being audited.

The completion and effectiveness of corrective actions should also be checked through a subsequent audit.

Records to be maintained

- audit plans
- audit reports
- reports NC
- reports AC / P
- subsequent actions to the audit reports, if applicable.

HUMAN RESOURCES
Standard requirements
PORTUGUESE STANDARD NP 4427:2004

General requirements

Strategic Management of Human Resources of any HEI have a basic foundation to ensure the success of the organization - this opinion is affiliated to the belief that human resources are the capital ("*know-how*") more valuable than HEI integrates .

General requirements

Basic principle of human resource management: the attract, retain and develop people within any organization

Objective

Define guiding principles to put in place a Human Resource Management System (HRMS) that may be certified by an independent entity

Internal audit: objectives

Determine whether the human resource management system:

- ✓ Complies with the provisions for HR management
- ✓ Was properly implemented and kept
- ✓ Effectively meets the HEI's policy and objectives

Give top management information on the results of internal audits:

- ✓ Are internal controls effective?
- ✓ Are standards and procedures in force complied with?
- ✓ Are there suggestions for improvement for procedures in force?
- ✓ Audits must be conducted by independent people, who are directly responsible for the activity being audited

Audit: Concepts

PROCESSES

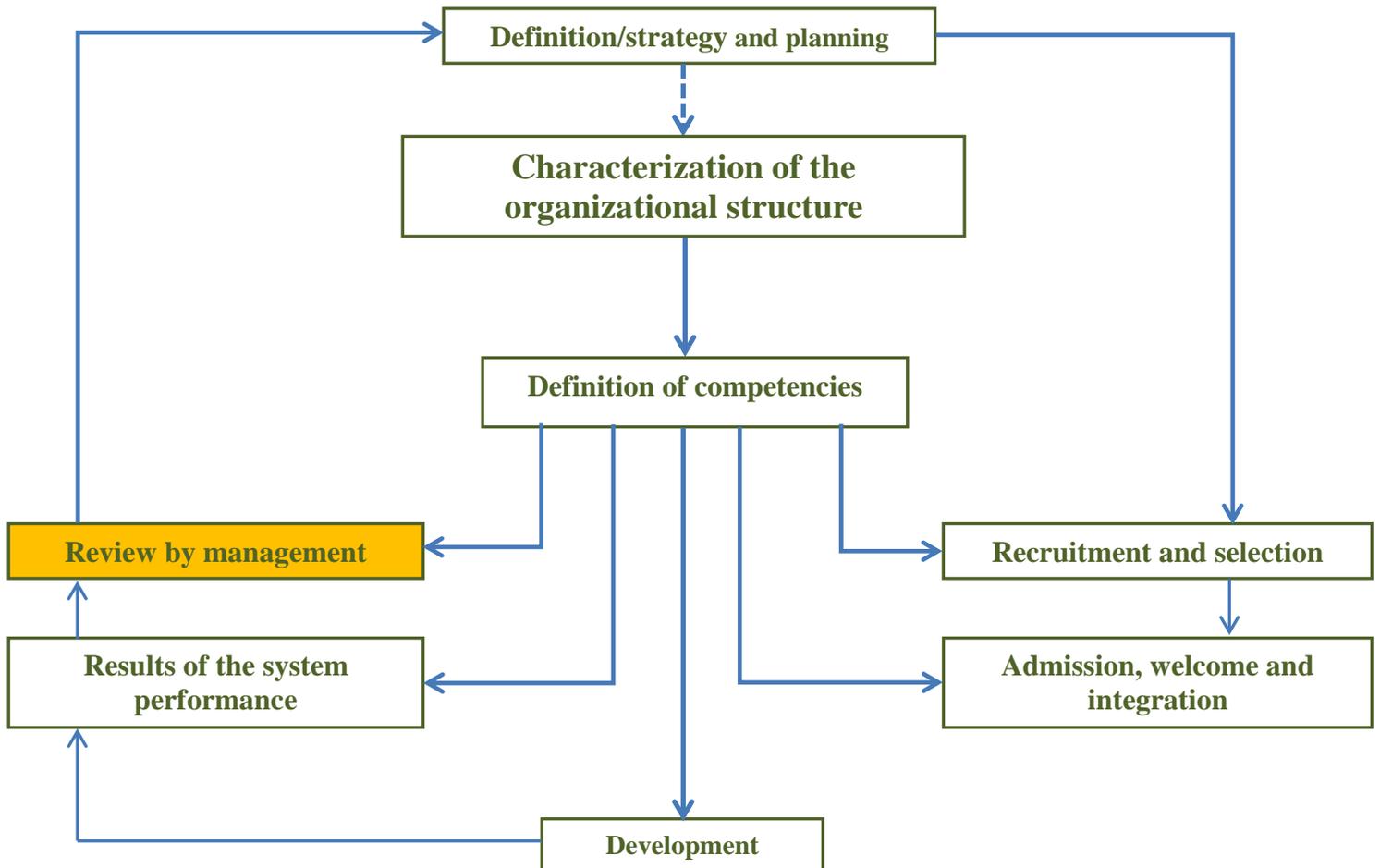
- ✓ Deals with a number of procedures which transform inputs into results or impacts and, as such, added value
- ✓ Processes in public services may vary between relatively abstract activities (development of regulatory policies), and very specific activities (such as service provision)

PROCEDURES

- ✓ How activities are performed
- ✓ How processes are put in place
- ✓ How processes are controlled (considering the sequence of tasks, details and responsibilities)
- ✓ How equipment and documents are used for optimal management and conduction of records

PRINCIPLES

- ✓ Organization focused on the citizen/user
- ✓ Leadership
- ✓ Involvement of people
- ✓ Introduction of rules and procedures
- ✓ Systematic approximation to management rules
- ✓ Continuing improvement
- ✓ Approximation to decision-making processes
- ✓ Mutual benefits in terms of relationships with suppliers



NP 4427:2004 Portuguese standards requirements

CHAPTER 4 - HR MANAGEMENT SYSTEM

4.1 General requirements

4.2 Document requirements

4.2.1 HR Manual

4.2.2 *Document and data control*

4.2.3 *Records control*

CHAPTER 5: RESPONSIBILITY OF MANAGEMENT

5.1 Management Commitment

5.2 HR Policy

5.3 Responsibility, authority and communication

5.3.1 Responsibility and authority

5.3.2 Management representative

5.3.3 Internal communication

5.4 Review by management

CHAPTER 6 – PLANNING

6.1 HR Planning

6.2 Characterization of organizational structure

6.3 Objectives

6.4 Legal and other requirements

6.5 Rewards

6.6 Penalties

CHAPTER 7 – HR MANAGEMENT

7.1 Administrative Management

7.2 HR recruitment and selection

7.3 Admission

7.4 Welcome and integration

7.5 Behaviours

7.6 Development

7.6.1 Training

7.6.2 Recognition of competences

7.6.3 Careers

7.7 Acquisition of goods and services

CHAPTER 8: MEASUREMENT, ANALYSIS AND IMPROVEMENTS

8.1 Measurement

8.1.1 Performance evaluation

8.1.2 Internal satisfaction

8.1.3 Internal audits

8.2 Control of non-compliant practices

8.3 Data analysis

8.4 Improvements

8.4.1 Continuing improvement

8.4.2 Corrective measures

8.4.3 Preventive measures

Managing an audit program

Audit principles

INTEGRITY

PRESENTATION IMPARTIAL

PROFESSIONALISM

CONFIDENTIALITY

INDEPENDENCE

EVIDENCE-BASED APPROACH

Roles and responsibilities of the person managing the audit program

- Determine the extent of the audit program
- Identify and assess the risks to the program
- Establish the responsibilities of the audit
- Establish procedures
- legal requirements
- Determine the resources required
- other

Definition of the extension of the audit program

- Size of organization
- Target
- People
- Previous audits
- Social, cultural
- Technologies
- Other

Identification and risk assessment of the audit program

- Planning
- Resources
- Group audits
- Recording
- Monitoring
- Technologies
- other

Audit methodologies

	In the field	Distance
Interaction	Conduct interviews Compiling lists and questionnaires Review of all documentation with participants sampling	Throughout distance/online methods: Conduct interviews Compiling lists and questionnaires Review of all documentation with participants
No interaction	Review of all documentation Observation of the work done Compiling control lists Sampling (products)	Review of all documentation Observation of the work done

Document Review



SAMPLE



Visit



Interviews

