"Opening and closing meetings: an audit's success often hinges on the first and last contact with the client, Larry D. Hubbard, 2004

Handout

CLOSING MEETING

The closing, or exit, meeting represents the final chance for internal auditing to display its professionalism and presentation skills, as well as an opportunity to maintain a positive relationship with the client. Auditors usually hold the exit meeting at the end of fieldwork and approach it as a "nonevent." In other words, there should be no surprises during the exit meeting, and all issues should be resolved before the meeting begins. To ensure the final meeting runs smoothly, auditors may need to conduct a series of pre-exit meetings to tie up any loose ends. Then, the "real" exit meeting--often attended by senior managers who did not directly participate in the audit--can be confined to a presentation and discussion of the audit process and results, rather than serving as a working meeting. During the discussion, auditors should keep the following areas of concern in mind.

BALANCED REPORTING Although most audits will identify issues that management needs to address, auditors should refrain from focusing entirely on the negative results of the engagement. In most cases, the majority of items examined during an audit do not lead to any negative findings--an indication that most of the client's activities are functioning effectively. Internal auditors should balance their reporting by mentioning these positive outcomes of the review. For example, auditors should be sure to tell management about the important controls they tested and found working well. This discussion can be particularly useful if the auditors can link the working controls to the key risks identified by management in the opening meeting.

DRAFT REPORT AND RATING Most audit departments try to prepare a draft audit report for management's review at least a day before the exit meeting. Review of written material followed by discussion increases the level of understanding of any topic and can lead to more useful dialogue during the meeting. If a full draft is not available for advance distribution, auditors should instead prepare a formal list of findings, both negative and positive, for management's review.

If the audit includes a final rating or audit opinion of the client, management will be keenly interested in this portion of the report. Sometimes the auditors' rating of internal controls impacts the timing of management's status reporting--that is, the higher the rating, the less formal the status reporting, and vice versa. Even if the rating is preliminary and subject to change, internal auditing should address the rating process during the meeting.

Closing meeting scenarios

Closing Meeting Scenarios: Some possible situations encountered by an audit team relative to the closing meeting:

a) Senior person in the company is not present at the closing meeting The auditors arranged the closing meeting as part of the audit plan agreed to by the auditee prior to the audit. By the very nature of the closing meeting, most companies want to have someone in senior management represent them at the closing meeting. However, the auditors cannot demand the presence of top management, but can certainly ask why they are unable to attend. If the team leader thinks that the auditee representation is not senior enough, someone senior can be requested to be available. If it was arranged for top management to be there and they do not arrive, then it is reasonable for the team leader to delay the meeting for a short time to wait for them. A telephone call will probably be necessary to check.

After a reasonable time has elapsed (perhaps half an hour), the team leader should hold the meeting with whoever is there. Under no circumstances should the meeting be canceled. But, remember to add this to your audit report.

b) Corrective action taken since a nonconformity was recorded It may be that minor nonconformities can be corrected quite quickly and easily. If this is what has occurred, and the team leader is satisfied that effective corrective action has been taken, then the nonconformity is noted as "closed out". The fact that it was found during the audit remains noted in the report.

If corrective action taken for a major nonconformity is presented, the team leader should politely point out that the closing meeting is not the forum to discuss such issues and the corrective action will be audited during the next audit for effectiveness.

c) Clear evidence produced that shows there is no nonconformity If the auditors find they were mistaken about a nonconformity, and they are convinced of it based on the new information, they should withdraw the nonconformity.

d) Bulky evidence produced that apparently shows there is no nonconformity Such evidence should have been made available during the audit at the time the nonconformity was raised. The team leader should explain that the auditors would consider the evidence produced, but not at the closing meeting. If the evidence shows there is no nonconformity, then they will withdraw it.

Care is needed if the nonconformity being removed is the only Major one and therefore, the recommendation being made by the auditors might have to change. The team leader must decide whether to consider the information and, if necessary, postpone the closing meeting until later.

e) Company wants to alter the scope of the audit If the auditors are requested to alter the scope of the audit at the closing meeting, they are rarely able to do so. Few auditors have this authority. They must follow their own procedures. Any alteration to the scope is outside the activities of the audit. The auditee will need to discuss the proposed scope with the Registrar's office. If the request is to assist with clarification of the scope, the team leader can give this consideration.

f) Auditee wants to extend the meeting Once the nonconformities have been discussed, and some commitment to a plan of corrective action has been given, there is no value in allowing the meeting to continue. Most closing meetings normally are over within half an hour. The team leader, therefore, may need to be firm in closing the meeting after the necessary points have been covered.

Other communications and behavioral issues during audits

Reaction of Auditees If an experienced auditor cares to look back over several different types of audits they have done, the likelihood is they will be able to recall a whole range of auditee reactions they have experienced, from outright hostility to willing cooperation. The auditor has to be prepared to meet and deal with this range of reaction. In general, top management will set the "tone" by their general interest and involvement in quality assurance (or lack of it). Although it must be said that as organizations realize more and more the full benefits of ISO 9001, auditee reactions are very much on the decline and normally occur when faced by a negative auditor. Lets look at some possible reactions.

Authority - This can work both ways. Some auditees become protective of their departments or company and try to "browbeat" the auditor. The auditor must insist firmly, but politely, on being given respect (provided, of course, the auditor gives it first).

ISO 9000 Training **-** Some auditees feel "inferior" to the auditors, and because the auditors are a representation of authority, become nervous. The auditor must use patience and politeness, and where appropriate, be empathetic.

Antagonism - For whatever reason, auditees may occasionally become hostile and aggressive towards the auditor. Naturally, the auditor must ignore any rudeness from the auditee. However, they may have to spend slightly longer in the area using patience, firmness, and politeness as their main defenses.

Diversionary tactics - These tactics can be many and varied. Anything that uses up time that was otherwise planned for auditing can be included here. People may sometimes be very well meaning, but if they spend a lot of time explaining things that the auditors have not asked them for, they must be politely stopped.

Videos about the company can be very interesting and sometimes useful, but if not relevant to the audit, should be avoided (as should the interesting machine or process). Auditees will sometimes appeal to your curiosity and want to show the "latest thing".

Long lunches should also be avoided. They take up time to no great benefit to the audit, and most certainly, alcoholic beverages must be declined.

It is not always a deliberate ploy, but the guide or the departmental representative can waste a lot of time "just going off to get what you want". The auditor should accompany the person, or perhaps arrangements can be made to get it later.

A lot of time can also be wasted while the guide answers the telephone, or involves the departmental representative in a lot of discussion about matters external to the audit. Sometimes, auditors are kept waiting for information, or for auditee representatives to appear, because they are on the telephone or in a meeting.

ISO 9001 Auditor Training - If this does happen, then above all do not get angry, be firm yet polite, refrain from critical comments and confrontation, continue with the audit plan and point out that there are many areas still to be covered in the remaining time. If the problem arises again, speak to the management representative.

Volunteered information - Auditors receive a lot of data during an audit. They hope to get the information they want in an effective manner. Sometimes, people give them information they have not asked for, maybe about a failure in part of the quality system. The auditor is now in a quandary. Do they follow up that lead now, later, or do they ignore it? It may be a "red herring", taking up a lot of time and leading nowhere. It may be important and relate to the audit objective. Only experienced auditors will tend to make the right decision here. There is no right answer and it is just one of the many things an auditor has to consider while performing an audit.

Internal conflicts - Audits can be stressful on all involved and sometimes findings during an audit provoke an argument between members of the organization. The audit is not the place for this and the auditor needs to use a little tact in smoothing the situation, without getting involved, and continue with the audit. Seek objective evidence without being seen to take sides.

Continual challenge - The auditee has the right, and indeed the duty, to challenge auditors that reach conclusions on the basis of unsound information. This can happen where auditors are not fully briefed about contract conditions, product requirements, or where they stray from objective evidence. However, it is for the auditor to continually put up a strong and factual case for all conclusions reached so that the auditee accepts them.

Enlisting help - In some companies, the Quality Assurance staff often guides external auditors around during an audit and frequently a good rapport is developed. If the Quality Assurance people are having difficulty in getting the corrective action taken, they may "lead" the auditors to deficient areas. While not exactly volunteering information, the auditee is enlisting the (powerful) support of customer representatives.

The auditors may use this information by gaining facts (considering how to protect their sources) so that any nonconformities found are indisputable.