



## INTERNAL AUDIT PROCEDURE FOR THE ESCC SYSTEM

### ESCC 11100

|         |              |
|---------|--------------|
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**TABLE OF CONTENTS**

|       |  |    |
|-------|--|----|
| 1     | INTRODUCTION                                   | 5  |
| 2     | SCOPE  | 5  |
| 3     | DEFINITIONS                                    | 5  |
| 4     | ABBREVIATIONS                                  | 5  |
| 5     | APPLICABLE DOCUMENTS                           | 6  |
| 5.1   | APPLICABLE ESCC BASIC SPECIFICATIONS           | 6  |
| 6     | ROLES AND RESPONSIBILITY                       | 6  |
| 6.1   | ESCC TECHNICAL SECRETARY                       | 6  |
| 6.2   | SCSB   | 6  |
| 6.3   | MANAGER – ENTITY BEING AUDITED                 | 6  |
| 6.4   | AUDITOR  | 6  |
| 7     | AUDIT PROGRAMME PLANNING AND REPORTING         | 7  |
| 7.1   | ANNUAL AUDIT PLAN                              | 7  |
| 7.2   | AUDITORS                                       | 7  |
| 7.3   | UNPLANNED AUDITS                               | 7  |
| 7.4   | AUDIT PROGRAMME ANALYSIS AND REPORTING         | 8  |
| 7.4.1 | Audit Conduct Analysis                         | 8  |
| 7.4.2 | Audit Data and Results, Analysis and Reporting | 8  |
| 7.4.3 | Reporting                                      | 8  |
| 8     | AUDIT PROCEDURE                                | 8  |
| 8.1   | AUDIT PREPARATION                              | 8  |
| 8.2   | AUDIT CONDUCT                                  | 9  |
| 8.3   | DOCUMENTATION OF AUDIT RESULTS                 | 10 |
| 8.4   | AUDIT FINDING FOLLOW-UP AND CLOSURE            | 11 |
| 9     | CONFIDENTIALITY                                | 11 |
| 10    | RECORDS AND REPORTING                          | 11 |
| 10.1  | RECORDS  | 11 |
| 10.2  | REPORTS  | 12 |
|       | APPENDIX A – INTERNAL AUDIT FLOWCHART          | 13 |
|       | APPENDIX B – AUDIT FINDING REPORT FORM         | 14 |
|       | APPENDIX C – AUDIT REPORT CONTENT              | 15 |

## 1 **INTRODUCTION**

The ESCC is subject to an internal audit process as part of the monitoring and improvement of ESCC procedures and activities.

It should be noted that the internal audit process does not require the level of resource required for an external audit even though the basic process steps are the same. Generally, an internal audit team shall consist of one or two people carrying out a sample-based audit over one or two days. Ad-hoc audits, where specific issues are being addressed in detail may require more time.

## 2 **SCOPE**

The scope of this procedure is the planning, management, conduct and documenting of Internal Audits against ESCC procedures in order to verify that they are effectively implemented and maintained and to identify areas for improvement.

This procedure defines the Audit Procedure covering the SCSB, CTB, PSWG, ESCC Executive and Participating Agencies.

## 3 **DEFINITIONS**

|                       |  |
|-----------------------|--|
| Audit Observation     | An audit finding that, whilst not being a non-conformance, does give cause for concern, or may result in a Non-Conformance in the future.    |
| Audit Non-Conformance | An audit finding, substantiated by objective evidence, where there is a failure to meet the requirements of a Procedure or Work Instruction. |
| Horizontal Audits     | Audits performed on a single process or procedure (such as document management, contract management, etc.) across the whole organisation.    |
| Vertical Audits       | Audits of a part of the organisation or a specific project against all applicable procedures within the ESCC System.                         |

## 4 **ABBREVIATIONS**

The following abbreviations are used in this document:

|      |  |
|------|--|
| ESCC | European Space Components Co-Operation         |
| SCSB | Space Components Steering Board                |
| CTB  | Components Technology Board                    |
| PSWG | Policy and Standards Working Group             |
| AFR  | Audit Finding Report                           |
| ISO  | International Organization for Standardization |

## 5 APPLICABLE DOCUMENTS

The following documents are applicable to the extent defined within this procedure.

|            |  |
|------------|--|
| ISO19011   | Guidelines for quality and/or environmental systems auditing |
| ESCC 00000 | Charter of the European Space Components Cooperation         |
| ESCC 10100 | Organisation and Basic Rules of the SCSB                     |

### 5.1 APPLICABLE ESCC BASIC SPECIFICATIONS

No. 23600 Complaints and Appeals

## 6 ROLES AND RESPONSIBILITY

### 6.1 ESCC TECHNICAL SECRETARY

The ESCC Technical Secretary has overall responsibility for the planning, conduct and reporting of the audit process (ESCC 10100) as defined within this procedure.

### 6.2 SCSB

With respect to this procedure the SCSB is responsible for the approval of the internal audit schedule.

### 6.3 MANAGER – ENTITY BEING AUDITED

The manager responsible for the entity being audited shall:

- Agree the audit schedule and scope with the Audit Leader.
- Provide access and support to the auditors.
- Inform involved staff of the audit schedule and objectives.
- Authorise Corrective Actions with no cost impact.
- Agree corrective/preventive actions with the Audit Leader, and refer actions with cost impacts to the relevant budget authority.
- Implement the agreed corrective/preventive actions.

### 6.4 AUDITOR

Auditors and Lead Auditors are responsible for the conduct of audits in accordance with the requirement of this procedure.

## 7 AUDIT PROGRAMME PLANNING AND REPORTING

### 7.1 ANNUAL AUDIT PLAN

Before the start of each calendar year the Technical Secretary shall prepare an Audit Programme for the following year, for approval by the SCSB.

The plan shall contain a schedule of all audits planned for the year. For each audit, the plan shall identify:

- Scope and purpose of the audit programme for the year (to relate to the organisational objectives for the year).
- Activities or entity(ies) to be audited (Note that the audits should contain both horizontal and vertical audits).
- List of Audit Team Leaders and Auditors and proposed composition for each audit.
- Estimated total resources required.
- Programme stating the month for which each audit is planned.

The overall objective of the audit plan shall be to ensure that each part of the ESCC organisation shall be subject to an internal audit at least once in any 24-month period.

Changes with respect to the Audit Plan with the associated reasons or causes shall be reported to the SCSB.

Prior to the start of each year, the Audit Plan shall be distributed to the Managers of the Entities to be audited with the assignments being distributed to the planned audit leaders and auditors.

### 7.2 AUDITORS

The Technical Secretary shall maintain a list of qualified Auditors. For each audit, the auditors shall be independent of the organisational entity being audited. For example, an auditor cannot audit any part of the organisation in which he works.

Auditors shall be qualified as per ISO19011.

### 7.3 UNPLANNED AUDITS

The Technical Secretary shall authorise unplanned audits in the following cases:

- Where a complaint or appeal (ESCC Basic Specification No. [23600](#)) requires an audit to be performed.
- Where a trend in non-conformances has been identified that warrants an audit across the organisation with respect to a specific procedure or process.
- Where the SCSB requires an investigation into a failure or specific event (Note: This may be based on a suggestion from the CTB or PSWG).

In all cases, the audit shall be conducted in accordance with this procedure and the result reported as below.

## 7.4 AUDIT PROGRAMME ANALYSIS AND REPORTING

### 7.4.1 Audit Conduct Analysis

The Technical Secretary is responsible for monitoring the conduct of audits and shall assess the implementation of the internal audit programme. This shall include verifying that:

- Audits are implemented as scheduled in the Internal Audit Plan.
- Auditors are competent (based on training, technical experience and any previous audits) and implement audits according to this procedure.
- Audit results are properly documented in Audit Reports and Audit Finding Reports.
- Corrective and preventive actions are implemented as agreed.

### 7.4.2 Audit Data and Results, Analysis and Reporting

The Technical Secretary shall analyse audit data and result with respect to the following:

- Coverage of the ESCC procedures, identifying any areas where coverage is weak or missing.
- Identification of areas or procedures resulting in a high number of findings relative to the rest of the ESCC System.

In the case of poor coverage, and based on the criticality of the associated process or processes, the Technical Secretary shall decide whether to:

- Schedule a horizontal audit covering the subject area.
- Ensure future audits specifically address the subject area.

In areas where a high level of audit findings (both non-conformances and observations) has occurred, the Technical Secretary shall assess the procedure to ascertain whether a procedure is impractical or obsolete. Where this is the case, the Technical Secretary shall implement the change process for the procedure.

### 7.4.3 Reporting

The Technical Secretary shall report to the SCSB on the above. In addition, this report and the associated actions shall be considered as part of the System Review activity (ESCC 00000).

## 8 AUDIT PROCEDURE

The process for internal audits is shown in Appendix A. The audit process shall be consistent with the requirements of ISO19011.

### 8.1 AUDIT PREPARATION

Preparation for audits identified in the annual audit plan shall be conducted as described below. Preparation for unplanned audits that may arise, for example from a complaint, shall perform the same activities according to a schedule agreed with the Technical Secretary.

For each audit, the Technical Secretary shall verify the availability of the Audit Leader and audit team identified in the Plan.



At least one month before the intended audit the designated Audit Leader shall:

- Review the intended scope of the audit with the Technical Secretary to ensure that it is consistent with the objectives of the audit programme.
- Review with the audit team the audit baseline and scope and identify all actions necessary to properly prepare for the audit, including preparation or revision of checklists.
- Arrange the date of the audit with the manager of the entity to be audited.
- Review with the manager of the entity to be audited, the scope of the audit, the planned activities and the amount of support required.

The checklist shall consist of all procedures applicable to the entity being audited, with comments, where applicable, of findings during the previous audit.

During the preparation phase any audit team member shall provide the Audit Leader with support in relation to the planning and proposed scope of the audit.

At least one week prior to the audit, the Audit Leader shall confirm to the Technical Secretary that the preparations for the audit are completed and also agree with the manager of the entity to be audited date, time and scope of the audit.

Audits may be delayed or rescheduled with the agreement of the Audit Leader and the manager of the entity to be audited. If the audit is delayed more than two weeks beyond the planned date, the Audit Leader shall inform the Technical Secretary, and provide the reasons for the delay.

## 8.2 AUDIT CONDUCT

The Audit Leader shall chair an opening meeting with auditors and the individuals of the entity being audited. At this meeting, the audit leader shall:

- Review the scope and baseline of the audit.
- Describe the planned activities and schedule.
- Identify and agree any modification or revisions to planned activities.

During the audit, the auditors shall use the checklists, prepared earlier, to assist them in confirming compliance and identifying areas to be improved.

The auditors shall document all findings and non-compliances identified in the course of the audit. Observations or Non-conformances detected during the Audit shall be documented on Internal Audit Finding Reports (AFRs) as they are detected. The auditor shall obtain confirmation from the individuals being audited of any noncompliance. An Audit Finding Report form is provided in Appendix B.

The audit, and all associated findings, shall be based upon the interview of relevant staff and the review of documentary evidence of conformance or otherwise to the procedure under consideration. All such documentary evidence shall be noted by the audit team member and passed to the audit leader. The lack of required documentary evidence shall, in itself, form a non-conformance.

At the end of the audit, the Audit Leader shall:

- Collate and organise the results from each auditor.
- Chair a closing meeting with the auditors, the manager of the entity being audited and, if desired, the members of the entity audited.

At the closing meeting, the Audit Leader shall:

- Review all findings of the audit.
- Review all observations, non-conformances and recommendations for corrective/preventive action from the audit.
- Correct any inaccurate information resulting from the audit.
- Obtain concurrence from the manager of the entity being audited with the factual information documented in the audit records.
- Agree with the manager of the entity being audited all corrective/preventive actions and their schedule for implementation.

Where it is not possible to identify all appropriate corrective/preventive actions immediately, the Audit Leader and the manager of the entity being audited shall agree a plan of activities to define the necessary corrective/preventive actions. In any case, the corrective/preventive actions shall be defined and agreed within two weeks after the closing meeting of the audit.

If the Audit Leader is unable to obtain the agreement of the manager of the entity being audited, or where applicable, the budget authority, regarding the audit findings or for appropriate corrective and/or preventive actions for an identified deficiency, then this shall be immediately reported to the Technical Secretary. In such cases, the Technical Secretary shall resolve the disagreements directly with the manager of the audited entity. If this is not possible, the Technical Secretary shall refer the issue to progressively higher-level managers in the hierarchy until a satisfactory solution is agreed.

### 8.3 DOCUMENTATION OF AUDIT RESULTS

Following the audit, the Audit Leader shall prepare an Audit Report, following the structure defined in Appendix C.

The Audit Leader shall assure that all Audit Finding Reports are numbered sequentially.

Within one month of the audit, the Audit Leader shall review the Audit Report with the manager of the audited entity to ensure it is correct and complete, and then distribute the Audit Report to the Technical Secretary.

#### 8.4 AUDIT FINDING FOLLOW-UP AND CLOSURE

The manager of the audited entity shall ensure that the agreed corrective/preventive actions are implemented as planned. When a corrective/preventive action has been implemented, the manager of the respective entity shall inform the relevant Audit Leader.

The Audit Leader shall verify the implementation of Corrective and Preventive Actions agreed during audits and update the Audit Finding Report Log accordingly.

The Audit Leader shall inform the Technical Secretary whenever corrective or preventive actions are not implemented by the agreed deadline. The Technical Secretary shall verify either the effectiveness of all corrective/preventive actions at the time of action closure or the next internal audit, as appropriate.

### 9 CONFIDENTIALITY

All information relating to internal audits shall be treated in the strictest confidence. For each audit, the following shall have access to records:

- Technical Secretary
- Point of Contact at the audited entity
- Lead Auditor

In addition, Lead Auditors shall ensure that they minimise the information that they hold by passing as much as possible to the Technical Secretary for storage.

Before being used within the ESCC Internal Audit Programme, any person (whether acting as Lead Auditor or a Member of the Audit Team) shall be required to sign a confidentiality agreement stating that they shall not pass any information to any third party and that they shall immediately forward such requests to the Technical Secretary.

The Technical Secretary shall not pass any information to any organisation of individual other than as stated within this procedure without the permission of the audited entity concerned.

The Technical Secretary and Lead Auditor shall hold all information relating to Internal Audits in a secure manner and ensure that access is strictly limited.

### 10 RECORDS AND REPORTING

#### 10.1 RECORDS

The following records are required by this procedure:

| Record                  | Held By             | Retention Period |
|-------------------------|---------------------|------------------|
| Audit Programme Records | Technical Secretary | 5 Years          |
| Audit Records           | Technical Secretary | 5 Years          |

#### NOTES:

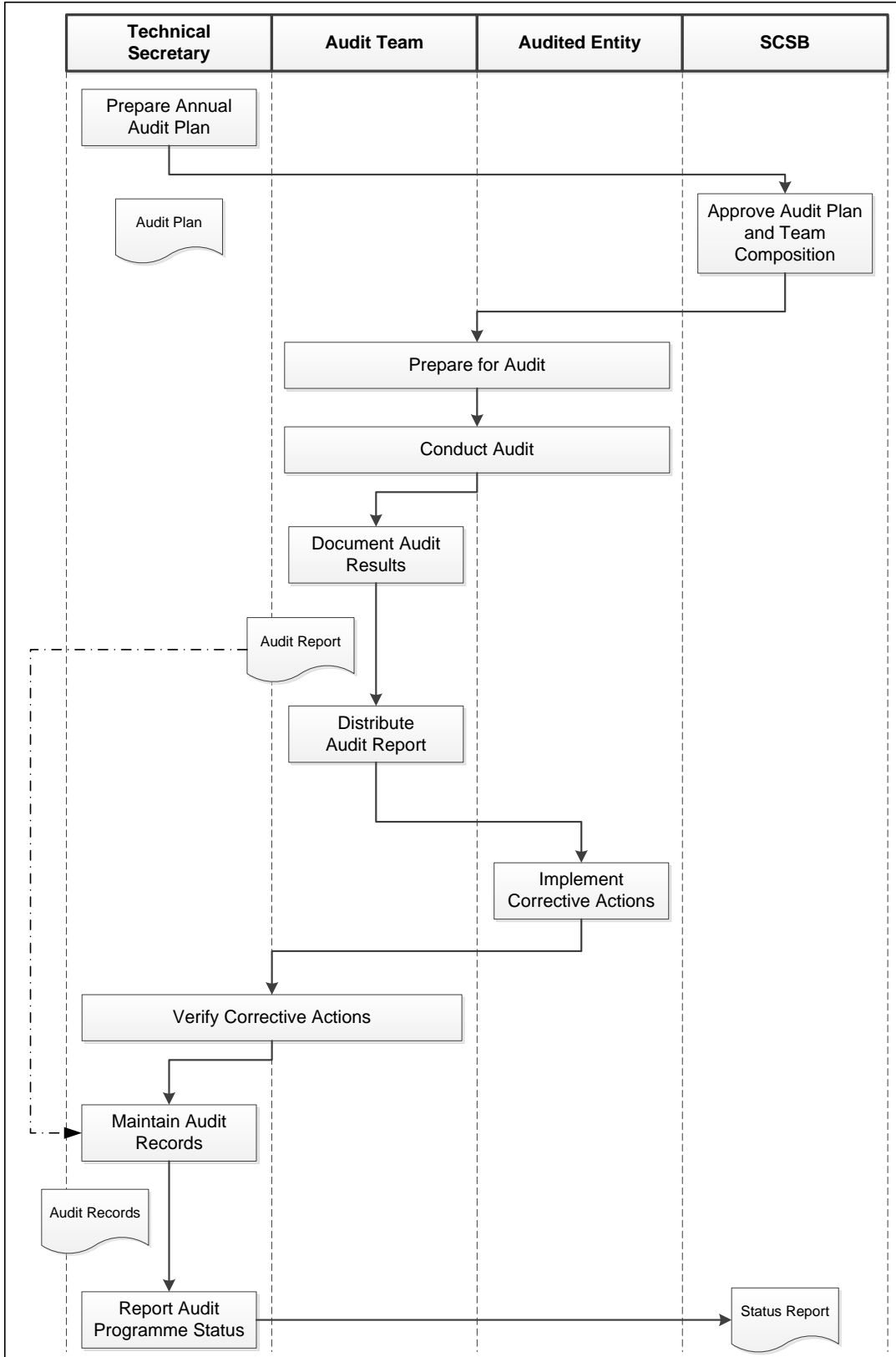
Wherever possible, the Lead Auditor shall hand over records of audits to the Technical Secretary.

## 10.2 REPORTS

The following reports are required by this procedure:

| Report                           | From                | To  | Periodicity             |
|----------------------------------|---------------------|---|-------------------------|
| Audit Report                     | Lead Auditor        | Technical Secretary<br>Audit Point of Contact | At each audit           |
| Audit Programme<br>Status Report | Technical Secretary | SCSB  | At each SCSB<br>meeting |

**APPENDIX A – INTERNAL AUDIT FLOWCHART**





**APPENDIX B – AUDIT FINDING REPORT FORM**

| <b>ESCC INTERNAL AUDIT FINDING REPORT</b>  |                        |
|--|------------------------|
| Audited Entity ..... Audit No. .... Date ..... AFR No. ....<br>Procedure ..... Procedure No. ....<br>ISO 9001 Clause No. ....  |                        |
| <u>Observation</u>   | <u>Non-Conformance</u> |
| <u>Finding and Cause:</u><br><br><br><br><br><br><br><br><br><br><br>Auditor ..... Date ..... Auditee ..... Date .....   |                        |
| <u>Recommendation (optional):</u><br><br><br><br><br><br><br><br><br><br><br>Auditor ..... Date .....  |                        |
| <u>Immediate Actions to Correct the Finding:</u> ..... <u>Date Due</u> .....<br><br><br><br><br><br><br><br><br><br><br><u>Corrective and Preventive Actions:</u> ..... <u>Date Due</u> .....<br><br><br><br><br><br><br><br><br><br><br>Audit Leader ..... Date .....<br>Auditee Manager ..... Date ..... |                        |
| <u>Actions Closed:</u><br><br><br><br><br><br><br><br><br><br><br>Audit Leader ..... Date .....  |                        |

### **APPENDIX C – AUDIT REPORT CONTENT**

The audit report shall use the document style defined by the Technical Secretary and have the following structure:

1. An introduction including:
  - Name of Team Leader
  - Names of Team Members
  - Purpose and Scope of the Audit
  
2. An Audit Summary, including:
  - Summary of Audit Findings (list)
  - Areas of Concern
  - Areas of Good Compliance
  - Identification and clearance statement (or status Report) of Existing Audit Findings from previous audits
  - Recommendations
  
3. Distribution List:
  - Technical Secretary, Point of Contact, Lead Auditor, only
  
4. Annex:
  - Completed Audit Finding Report forms