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ISO 9001 Auditing Practices Group **Guidance on:**

Policy, Objectives and Management Review

1. Auditing quality policy

The quality policy and its effective deployment can only be truly assessed based on the overall results of the audit.

Audit methods should include:

- Interviewing Top Management to understand their approach and commitment to quality (see also the ISO 9001 Auditing Practices Group paper on “Top Management”).
- Evaluating, through the records of management review, the commitment and involvement of Top Management in the establishment, implementation, monitoring and updating of the quality policy;
- Assessing whether Management has effectively “translated” the quality policy into understandable words and guidelines at all levels of the organization, with corresponding objectives at each applicable process/ function / level;
- Conducting interviews with persons to verify if they have the required awareness, understanding and knowledge of the way the organization’s quality policy **relates to their own activity**, regardless of the terms used by such people to express their understanding. Do not ask persons to recite the quality policy.
- Collecting evidence of effective dissemination of the quality policy by appropriate communication

Appropriate conclusion of effective dissemination and understanding of the quality policy can only be attained at the end of the audit, after evaluation of audit results.

2. Auditing quality objectives

Auditors need to verify that the organization's overall quality objectives:

- have been defined,
- reflect the quality policy,
- are substantially coherent,
- are aligned and compatible with the organization's context and strategic direction,
- and are aligned with its overall business objectives, including customer expectations.

If this is not the case, the auditors should further evaluate Top Management commitment to quality.

Quality objectives are to be measurable and verifiable, but not necessarily quantified. Qualitative results may also be relevant, e.g. an answer of "yes/no" regarding achieving objectives is acceptable, providing it is supported by evidence.

There is no specified way of identifying or documenting quality objectives, as these may appear through business plans, management review outputs, annual budgets, etc. It is up to the auditors to satisfy themselves that the objectives are adequately documented.

The auditors should obtain evidence of the way the quality objectives are suitably cascaded throughout the organization's structure and processes, linking the general strategic objectives to management objectives and down to specific operational activities.

It is recommended that the documented information relating to the quality objectives should be examined at the stage of the audit when the organization's documented information is reviewed.

Before the end of the audit, the auditors have to satisfy themselves that the quality objectives are realistic and relevant, and that the organization has assigned to responsible people the resources needed to meet their objectives. Evidence of this should be obtained at all levels of the organization.

Quality objectives are not static and need to be updated in the light of the current business climate and the quest for continual improvement. Auditors should verify that the overall performance of the organization reflects the aims of the quality policy and reasonably meets the quality objectives.

Auditors should also keep in mind that there is a clear link between the dynamic aspects of revising the quality policy, the quality objectives and the commitment of the organization to improvement.

3. Auditing Management Review

ISO 9001 requires top management to review the organization's quality management system, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness. The review could be carried out at a separate meeting but this is not a requirement of the standard. There are many ways in which Top Management can review the quality management system, such as receiving and reviewing a report generated by the management representative or other personnel, electronic communication, or as part of regular management meetings where issues such as budgets and targets are also discussed.

The management review is a process that should be conducted and audited utilizing the process approach. Organizations need to be able to demonstrate that they have evaluated

the effectiveness of actions taken to address risks and opportunities during management review; consequently auditors will be able to obtain objective evidence on the use of this approach.

ISO 9001 specifies a number of inputs to the management review process and these topics need to be addressed; however, these are not the only subjects that can be included in a review. It is also acceptable not to address them individually or simultaneously but as part of an overall review of the business. Auditors should be aware that the inputs could be in many forms such as reports, trend charts and so on.

As outputs from the management review process, there should be evidence of decisions regarding:

- changes to the quality policy and objectives,
- plans and possible actions for improvements,
- change of resources,
- revised business plans,
- budgets.

The outputs may not be only related to improvements or changes, but could also include decisions on other important issues, such as plans to introduce new products.

Documented information on management reviews is required, but the format of this is not specified; minutes of meetings are the most common type, but electronic records, statistical charts, presentations etc. could be acceptable types.

The management review process might also include elements of quality management system planning, where changes to processes and systems are being considered. Where this is the case, the auditors should review whether or not the following points have been considered:

- Will changes to the management system, or the business as a whole, have an impact on other parts of the system or business?
- Are proposed changes evaluated before implementation?
- In preparing strategic plans, are issues such as those in clause 4 “*Context of the organization*” of the standard considered?
- Are the controls needed identified before the outsourcing of a process is begun?

The management review process should not be an exercise carried out solely to satisfy the requirements of the standard and the auditors; it should be an integral part of the organization’s business management process. An overall management review is a complex process carried out at various levels in the organization. It will always be a two-way process, generated by top management with inputs from all levels in the organization. These activities could vary from daily, weekly, monthly, organizational unit meetings to simple discussions or reports.

Auditors should look for evidence that the inputs and outputs of the management review process are relevant to the organization’s size and complexity and that they are used to improve the business. Auditors should also consider how the organization’s management is structured and how the management review process is used within this structure.

For further information on the ISO 9001 Auditing Practices Group, please refer to the paper:
Introduction to the ISO 9001 Auditing Practices Group

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