EXPRO National Manual for Projects Management

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Project Quality Assurance Audit Procedure

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1.0 PURPOSE

The purpose of this procedure is to describe the method for scheduling, performing, documenting and closing-out internal and external quality assurance (QA) audits and surveillances performed on a project. The purpose of a QA Audit is to ensure that the project quality guidelines have been met and demonstrate that the services/facilities provided conform to the specified requirements in the contract. The Audit looks for evidence that project management has specified the project objectives and policy and established a system of procedures to accomplish them and has assigned duties, delegated authority, and set up suitable testing, inspection, examination and audit programs to verify that the required standards of performance have been achieved.

This procedure applies to the management and control of activities performed during the delivery of government construction projects across the Kingdom of Saudi Arabia.

2.0 SCOPE

Periodic QA audit reviews, both external and internal, shall be performed on significant project activities and/or processes. See **Attachment 1**, Process Flow Chart that illustrates the Quality Assurance Audit process.

The scope of the QA Audit Reviews may include but are not limited to the following primary areas:

- Project management, reporting, and administration
- Quality management systems
- Design engineering in support of the procurement, construction, and performance testing and turnover
- Placing inquiries for materials, equipment, services and subcontracts, and performing bid evaluations
- Procurement of equipment, material and services
- Planning and scheduling of project activities and deliverables, including the coordination of resources and training and qualification of project personnel
- Documenting and evaluating variations in scope, cost, and schedule
- Construction planning, execution, field installation and management
- System and Facility turnover from Construction
- Testing and commissioning planning, execution and management
- Control of documentation and quality records
- Training of operation and maintenance personnel.

In addition to conducting internal quality audits, quality surveillances and functional department assessments of internal work processes and products will be used to routinely evaluate compliance to project standards. Furthermore, supplier work processes and products will be monitored at the suppliers' facilities to verify that process and product requirements have been met. The extent of monitoring will be commensurate with the importance of the product or service being performed.

3.0 DEFINITIONS

Definitions	Description
Audit	Quality Assurance Audit - A comprehensive review of work execution in a pre-defined area of a project to ensure that quality standards are being maintained.
CAN	Corrective Action Notice (form used for documenting and closing quality audit and quality surveillance findings). The management of the CANs process is defined in the Quality Corrective and Preventative Action procedure.
Deficiency	A general term covering any defect, discrepancy, omission or lack of conformance to requirements.
ECMS	Enterprise Content Management System
External Quality Audits	Audits of activities performed by Construction Contractors, Technical Service Contractors, Suppliers and Subcontractors
Internal Quality Audits	Audits of activities performed by projects on themselves; typically, without external auditing support from Entity, EXPRO or other entities.
Non-conformance	A defect, deficiency or other condition adverse to quality. A structure, system, component or product that does not conform to specified requirements. Non-conformances identified during quality assurance audits are recorded as CANs.
EXPRO	Government Expenditure & Projects Efficiency Authority
Observation	Comments, concerns, suggestions and/or recommendations for the benefit of the auditee; such as, opportunities for improvement, including situations with the potential to become non-conformances.
PQM	Project Quality Manager
Quality Assurance (QA)	Part of quality management focused on fulfilling quality requirements. Quality assurance is a way of preventing errors and avoiding problems when delivering solutions or services to customers.
Remedial Action	Steps taken to correct a specific instance of deficiency, non-conformance, error or violation of requirements, typically as identified in a CAN.
Surveillance	The act of monitoring, witnessing or observing to verify whether items or activities conform to specified requirements. As used in this procedure, 'surveillance' is an audit of a portion of a contractor's operation. A surveillance examines a smaller number of items than a total system audit.

4.0 REFERENCES

- EPM-EQ0-PR-000002 - Project Quality Execution Procedure
- EPM-EQ0-PR-000003 - Project Quality Corrective and Preventative Action Procedure
- EPM-KCQ-PR-000006 - Project Construction Control of Non-Conforming Items Procedure
- EPM-KCQ-PR-000005 - Project Construction Quality Management System Procedure
- EPM-EQA-GL-000001 - Project Quality Assurance Audit & Reporting Process Guideline

5.0 RESPONSIBILITIES

5.1 Auditee

The Auditee is responsible for being available to the audit team and providing information that will be necessary to perform a meaningful assessment of the audit scope. The Auditee is responsible for a project quality approach that conforms to the quality specifications and which ensures that:

- Products and services comply with statutory, regulatory and contract requirements
- Employees implement and continually improve the effectiveness of the quality management plan

- Projects establish quality objectives, review them periodically for relevance, and provide adequate resources to ensure they are achieved
- Communicate the quality policy to employees, contractors and stakeholders to ensure that it is understood and followed

5.2 Audit Team

The Audit Team typically consists of subject matter experts in the process or area of interest being audited. The Audit team will be comprised of qualified subject matter experts who are independent from the facility design and construction team.

5.3 Audit Team Leader

The Audit Team Leader is appointed by the Project Quality Manager (PQM) and is responsible for the execution of an audit working with the assigned Auditee and Audit Team.

5.4 Contract Representative

The Contract Representative is responsible for coordinating any Audit or Surveillance activity with the project subcontractors.

5.5 Project Quality Manager

The PQM is responsible for determining the audit schedule and scope, assigning an Audit Team leader, approving the audit checklist, and reviewing the final audit report prior to issuance to the Auditee.

5.6 Quality Assurance Department

QA Department is an organization responsible for performing and/or supporting project audits and surveillances. The QA Department will issue Corrective Action Notices (CANs).

6.0 PROCESS

6.1 General

The purpose of an audit is to verify implementation of specific requirements described in documents such as Contracts, Quality Control Programs, Inspection and Test Plans, Instructions, Specifications and Drawings. The process for conducting both total system audits and surveillances is described within the body of this procedure. A Process Flow Chart describing the Quality Assurance Audit process is provided as **Attachment 1**.

6.2 Scheduling of Quality Assurance Audits

Audit Schedules shall be prepared prior to the start of the calendar year by the PQM **(Attachment 2)**. The schedule shall identify all internal and external audits to be performed during each calendar year.

The Audit Schedules shall identify organizations and/or the internal sections/areas to be audited, the type of audit to be performed, and the planned dates for conducting the audit. Unscheduled audits may be added at the discretion of the PQM. Previously scheduled audits may be rescheduled based on emerging project requirements in which case the schedule shall be updated and revised as necessary. Audit completion status shall be maintained (on the Schedule) by the PQM or designee.

The current Audit Schedule shall be maintained in the quality records of the project document control system. The permanent record of audits completed during each calendar year is also maintained for stakeholders to access.

6.3 Audit Report Numbers and Corrective Action Notices

6.3.1 Audit Identification and Numbering

The Audit Team Leader should ensure that all Audits shall be identified using the codes given below and numbered sequentially:

Year audit performed (4-digit, numeric)
Audit number in sequence (3-digit, numeric)
Type of Audit (1-character, letter) A = Audit, S = Surveillance

Example: 2017-001S, 2017-002A, 2017-003A (there shall be no hyphens between audit number and type)

6.3.2 Corrective Action Notices

The Quality Assurance Department will be responsible for issuing all associated CANs and shall manage these notices in accordance with the Project Quality Corrective and Preventative Action Procedure EPM-EQ0-PR-000003.

6.4 Audit Notification and Plan

The Audit Team Leader for the Quality Assurance Audit shall prepare an Audit Notification and Plan (**Attachment 3**) and this plan shall be sent to the organization to be audited and the authorized Contract Representative. Quality Assurance Audit Notifications and Plans shall be distributed to Auditees at least seven (7) days prior to commencement of the audit. In the case of a Quality Surveillance Audit, (**Attachment 3**) is not required. Alternatively, for a Quality Surveillance Audit a simple Agenda and Audit Plan is sufficient.

6.5 Quality Assurance Audit Scope

The Audit Team members shall prepare Audit Checklists based upon the scope of the audit and pertinent controlling documents such as contract requirements, drawings, specifications and procedures. For quality assurance audits of construction contractors, the Quality Assurance Department shall develop a standard checklist based upon the contract requirements and also any applicable requirements of concern. Audit Checklists are used to guide Auditors through the verification process. The Auditor shall record results of audit verifications on the Checklist. Completed Audit Checklists shall be reviewed and approved by the PQM or designee (e.g. Audit Team Leader) prior to the Audit to check that the content is aligned with the scope required.

6.6 Surveillance Audit Scope

A Surveillance Audit is narrower in scope than a total system audit. A Surveillance focuses on a limited number of activities to verify compliance in those areas. The QA Surveillance Team will select the systems, processes, procedures, items etc. to be reviewed at the discretion of the PQM or designee. The areas to be considered will be based upon various factors which may include the following:

- Stage of the Project (10% complete, 25%, 75%, for example)
- Results of previous audit findings
- Identification of performance trends
- Preventive actions in place.

A formal Audit Checklist and Opening and Closing Meetings are not necessarily required but suggested for Surveillance Audits. However, all findings (including Observations and Positives) shall be recorded in the body of the Quality Surveillance Report **(Attachment 8).**

6.7 Audit Execution and Reporting

The specific steps in the performance and reporting of an audit are described in the Project Quality Assurance Audit & Reporting Process Guideline EPM-EQA-GL-000001 (**Attachment 4)**. Audit activities and audit results shall be documented and reported on **Attachments 5, 6, 7 and 10**. Audit status will be tracked and reported on the Quality Assurance Audit Status Report **(Attachment 9)**.

6.8 Corrective Action Verification

The Audit Team Leader shall work with the Auditee to ensure that all CANs issued during the audit process described in **Attachment 4** are addressed by the appropriate departments. After the department or contractor has addressed the corrective action, the Auditor shall verify the corrective action has been implemented and is complete.

1. Where action taken has been completed, the CAN shall be closed out by signing and dating the CAN as per the Project Quality Corrective and Preventative Action Procedure EPM-EQ0-PR-000003.
2. If the corrective action has not been completed, the CAN shall remain open pending further action(s) by the Auditee. In either case, the Auditee shall be notified, in writing, by the PQM or Contract Representative for subcontractors.

6.9 Closing out Corrective Actions

The PQM shall distribute copies of closed CANs to the Auditee by e-mail for internal audits.

The Contract Representative shall distribute copies of closed CANs to the Auditee by written notification for external audits. The QA Department will manage CAN completion using the Project Quality Corrective and Preventative Action Procedure EPM-EQ0-PR-000003.

6.10 Records

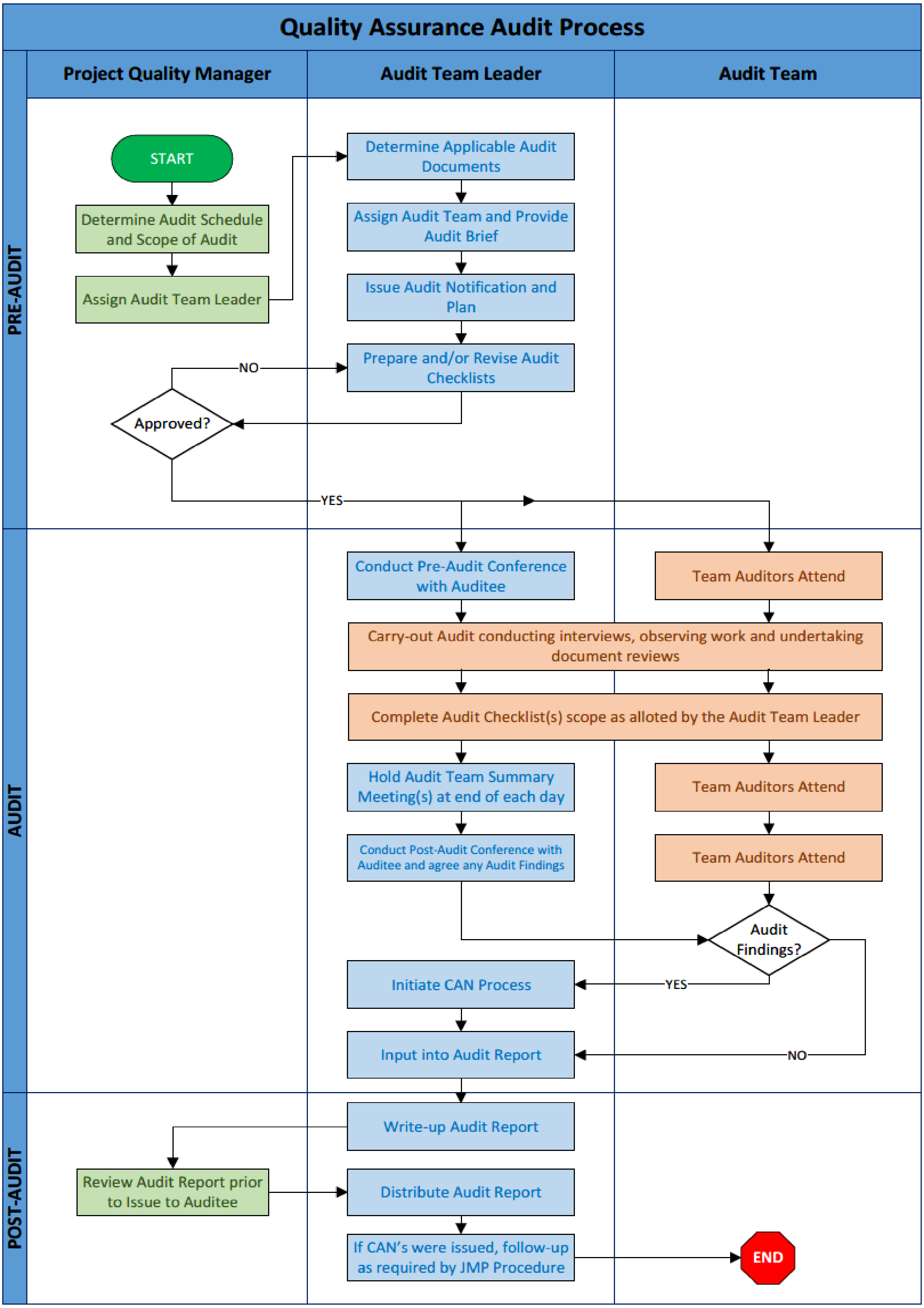
The following records shall be maintained in the Quality Assurance section of the Enterprise Content Management System (ECMS):

- Audit Schedules
- Audit Notifications and Plan
- Audit Site Visit Summary Attendance Sheets
- Quality Assurance Audit Reports (including CANs)
- Quality Assurance Surveillance Reports (including CAN's)
- Quality Assurance Audit Status Report

7.0 ATTACHMENTS

1. Quality Assurance Audit Process Flow Chart
2. EPM-EQA-TP-000001 - Audit Schedule Template
3. EPM-EQA-TP-000002 - Audit Notification and Plan Template
4. EPM-EQA-GL-000001 - Project Quality Assurance Audit & Reporting Process Guideline
5. EPM-EQA-TP-000003 - Site Visit Summary Attendance Sheet Template
6. EPM-EQA-TP-000007 - Quality Assurance Audit Report Template
7. EPM-EQA-TP-000004 - Quality Assurance Audit Results Summary Template
8. EPM-EQA-TP-000005 - Quality Surveillance Report Template
9. EPM-EQA-TP-000006 - Quality Assurance Audit Status Report Template
10. EPM-EQA-TP-000008 - Audit Summary Template

Attachment 1 - Quality Assurance Audit Process Flow Chart



Attachment 2 - EPM-EQA-TP-000001 - Audit Schedule Template

Contract No.	Scheduled Audit Date	Actual Audit Date	Audit Type	Contractor	Contract Package Title	Actual Progress at (Date)	ACM	RE	AREA	Sr. QAE Assign

Attachment 3 - EPM-EQA-TP-000002 - Audit Notification and Plan Template

AUDITED CONTRACTOR:		LEAD AUDITOR:
CONTRACT NUMBER:		AUDITOR:
CONTRACTOR CONTACT:		AUDITOR:
AUDIT NUMBER:	AUDIT DATE(S):	AUDIT LOCATION:
AUDIT OBJECTIVES/AUDIT REFERENCE DOCUMENTS		

AUDIT SCHEDULE
The Schedule shown below may be adjusted according to audit progress and Auditee personnel availability

No.	Date/Time	Point of Contact	Activity	Location
1.			Pre-Audit Meeting	
2.			Daily Summary Meeting	
3.			Daily Summary Meeting	
4.			Daily Summary Meeting	
5.			Daily Summary Meeting	
6.			Daily Summary Meeting	
7.			Daily Summary Meeting	
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.			Post Audit Meeting	

Attachment 4 - EPM-EQA-GL-000001 - Project Quality Assurance Audit and Reporting Process Guideline

1.0 PRE-AUDIT MEETING

2.0 CONDUCTING THE AUDIT

3.0 POST-AUDIT MEETING

4.0 AUDIT REPORTS

5.0 AUDIT REPORT DISTRIBUTION

6.0 CONDUCTING THE SURVEILLANCE

See referenced Guideline for Details

Attachment 5 - EPM-EQA-TP-000003 - Site Visit Summary Attendance Sheet Template

REASON FOR VISIT:	CONTRACT NO.
CONTRACT TITLE:	PERCENTAGE COMPLETE:
CONTRACTOR:	AUDIT NO. (If applicable)

ATTENDANCE DETAILS

Name	Company	Title	Stage Attended			
			Entry Meeting	Audit	Site Tour	Exit Meeting

Attachment 6 - EPM-EQA-TP-000007 - Quality Assurance Audit Report Template

EXTERNAL AUDIT NUMBER:	AUDIT START DATE:	AUDIT END DATE:
TYPE OF AUDIT: ☐ Contractor	☐ Supplier	☐ A/E Firm
CONTRACTOR AUDITED:		CONTRACT No.

AUDIT REPORT CONTENTS

This Audit Report was prepared by:

.... (Name)

.... (Date)

Attachment 7 - EPM-EQA-TP-000004 - Quality Assurance Audit Results Summary Template

DETAILS OF CONTROLLING DOCUMENT(S)		
CONTROLLING DOCUMENT REFERENCE/SECTION TITLE, etc.	DOCUMENTS REFERENCED AND OBJECTIVE EVIDENCE NOTES	CAN # or OBSERVATIONS

Attachment 8 - EPM-EQA-TP-000005 - Quality Surveillance Report Template

REPORT NUMBER		DATE
CONTRACTOR NAME:		CONTRACTOR NO.
REFERENCE DOCUMENT NO.	REV. NO.	REMARKS:
DESCRIPTION OF ACTIVITY BEING MONITORED:		
LOCATION:		
ACTIONS / OBSERVATIONS / COMMENTS:		

Initiated by:

.... (Name)

.... (Date)

Attachment 9 - EPM-EQA-TP-000006 - Quality Assurance Audit Status Report Template

AUDIT LOG AUDITS SCHEDULED AND COMPLETED								
AUDIT NUMBER	CONTRACT NUMBER	CONTRACTING COMPANY	CONTRACT TITLE	SCHEDULED AUDIT DATE	ACTUAL AUDIT DATE	AUDIT REPORT DATE	LEAD AUDITOR	AUDITOR

Attachment 10 - EPM-EQA-TP-000008 - Audit Summary Template

<table>
<tr><td colspan="5">Audit Title:</td></tr>
<tr><td colspan="2">Audit Dates:</td><td colspan="3">Organization(s) Audited:</td></tr>
<tr><td colspan="5">Requirement Document(s), Including Revision:</td></tr>
<tr><td colspan="4">Checklist Prepared By:</td><td>Date:</td></tr>
<tr><td colspan="4">Checklist Approved By (Lead Auditor Signature or Initials)</td><td>Date:</td></tr>
<tr><th>ITEM NO.</th><th>AUDIT ELEMENT STATEMENT
(Quote or paraphrase requirement from the applicable Program/Procedure, or state the performance based criteria)</th><th>REQUIREMENT DOCUMENT(S) SECTION</th><th>SAT/UNSAT
(If UNSAT, include NCR/CAN No.)</th><th>AUDITOR VERIFICATION STATEMENT
(Include objective evidence reviewed during the audit or attach a data sheet/spreadsheet that ties to the Checklist Item No.)</th></tr>
<tr><td colspan="5">Note: Red text provides suggested evaluation criteria guidance and is to be used in conjunction with the scope of work being audited in developing the checklist evaluation items.
Checklist preparer is to delete red text after completing checklist.</td></tr>
<tr><td>1.</td><td>Management Responsibility
• <u>Quality Policy</u>
○ Verify management with executive responsibility is defined and has documented its policy for quality, including objectives for quality and its commitment to quality.
• <u>Organization</u>
○ Responsibility and Authority
▪ Verify the responsibility, authority, and interrelation of personnel who manage, perform or verify work affecting quality is defined and documented.
○ Resources
▪ Verify identification of resource requirements, adequate resources and assignment of properly trained personnel.
○ Management Representative
▪ Verify executive management appoints a member of management who has independent responsibility to ensure a quality system is established and performance of the quality system is reported to executive management.
• <u>Management Review</u>
○ Verify management with executive responsibility reviews the quality system at defined intervals to ensure continuing suitability of the stated quality policy and objectives.</td><td></td><td></td><td><u>Discussed with:</u></td></tr>
<tr><td>2.</td><td>Quality System
• <u>General</u>
○ Verify the establishment, documentation and maintenance of a quality system as a means of ensuring product conforms to specified requirements.
○ Verify the quality manual includes or makes reference to quality system procedures and outlines the structure of documentation used in the quality system.
• <u>Quality System Procedures</u>
○ Verify documented procedures are consistent with requirements, specifications, and the stated quality policy.
○ Verify the effective implementation of the quality system and documented procedures of the quality system.</td><td></td><td></td><td><u>Discussed with:</u></td></tr>
</table>