



PAC Procedure for Internal Audit of the MLA Management Process

Contents

1. General	2
2. Reference	2
3. Scope and Criteria of Internal Audit	2
4. Internal Audit Teams	2
5. Implementation of Internal Audit	3
6. Review and Follow Up	5
ANNEX A Reference Documents for Internal Audit	6
ANNEX B Contents of Internal Audit Report	7

Issue No: 1

Issue Date: 23 January 2000

Name for Enquiries: Belinda Mort

Contact Phone: +61 2 6559 1370

email: pacsecr@email.com

Application Date: 23 January 2000

FAX: +61 2 6559 1374

1 General

1.1 This procedure is established to systematically examine the effective operation of the MLA program in accordance with the PAC MLA Policies and Procedures and get an opportunity for improving the operation of the MLA program.

1.2 This procedure is applied for controlling the internal audit and review process in the area of the MLA program.

2 Reference

2.1 PAC MLA Policies and Procedures, Issue 1 (Rev. 4) - 1997 (PAC-DOC-010)

2.2 Terms of Reference of PAC Executive Committee (PAC-DOC-016)

3 Scope of Internal Audit

3.1 The internal audit of the MLA Management Process shall cover all the activities based on the MLA Policies and Procedures.

3.2 The reference documents for internal audit shall be the MoU, MLA Policies and Procedures and its associated documents which are listed in Annex A.

4 Internal Audit Teams

4.1 Qualification of Internal Audit Team Leaders and Members

4.1.1 An internal audit team leader shall be a qualified peer evaluation team leader or a qualified peer evaluation team member who shall have participated as a team member in a peer evaluation of an accreditation body.

4.1.2 An internal audit team member shall be a qualified peer evaluation team member.

4.1.3 The Secretariat shall maintain a list of the names and affiliations of at least three internal audit team leaders and three team members.

4.1.4 A record of the experience of internal audit team leaders and members, in the internal audit of the MLA Management Process, shall be kept up-to-date by the Secretariat.

4.2 Appointment of Internal Audit Teams

4.2.1 The team leader of each internal audit shall be appointed by the Executive Committee from the List of internal audit team leaders referred to in 4.1.3.

4.2.2 If necessary, one team member shall be selected by the Executive Committee, in consultation with the team leader, from the List of internal audit team members referred to in 4.1.3.

4.2.3 Either team leader or team member shall not evaluate the activities which he/she was responsible for implementing, for instance, the peer evaluation which he/she participated in as a peer evaluation team leader or team member.

5 Implementation of Internal Audit

5.1 Frequency of Internal Audit

5.1.1 The internal audit shall be conducted at intervals of not more than 12 months.

5.1.2 The annual internal audit schedule shall be prepared and, if necessary, revised by the Executive Committee on the basis of results of last internal audit and/or IAF peer evaluation on the PAC/MLA.

5.2 Preparation for Internal Audit

5.2.1 The team leader shall determine the dates in consultation with the team members for the internal audit with the agreement of the PAC Chairman and Secretary according to the annual internal audit schedule.

5.2.2 The team leader shall ensure that the team members are supplied with copies of the current PAC documentation related to the PAC MLA program at least three months in advance of the internal audit.

5.2.3 The team leader shall prepare, in conjunction with the PAC Secretary, a detailed internal audit plan which shall ensure that all activities based on the MLA Policies and Procedures be examined.

5.3 Conduct of Internal Audit

5.3.1 The team shall check the relevant records against the MLA Policies and Procedures and associated documents, including peer evaluation reports, relevant meeting minutes etc.

5.3.2 The Secretary of PAC shall be authorised by the Executive Committee to represent it in relationships with the team.

5.3.3 The audit shall be conducted at the office of the Secretariat, or, if considered appropriate by the team leader, by electronic means with the Secretary supplying all documents requested by the team to them at their own offices. In any case, an internal audit shall be conducted on the physical premises of the Secretariat at least once every two years. If an electronic audit is conducted, the team may consult either by email or by telephone as appropriate.

5.3.4 The Secretariat shall reimburse the costs of team members travelling to the Secretariat office:

- Full economy class airfares
- Costs of hotel accommodation, meals and incidentals (taxis etc.)
- Costs of telephone conference calls

The costs of personal time shall be carried by the employer of the team member.

5.4 Report of Internal Audit

5.4.1 The team shall prepare a written draft summary on its main findings and observations. Observations and non-conformities shall be stated with reference to the specific clauses of the relevant documents. A copy of the draft summary shall be given to the PAC Secretary at the closing meeting at the end of visit. The team leader shall give the PAC Secretary an opportunity to comment on and discuss the team's findings and clear up any misunderstandings that may have arisen. The summary shall be signed by all the team members and the Secretary.

5.4.2 After the visit the team leader shall complete the internal audit report and forward it to the PAC Secretary within 30 days. The report shall be in the format described in Annex B.

5.4.3 The PAC Secretary shall check the report and submit the report with his or her comment to all the members of the Executive Committee within 30 days of receiving the report.

6 Review and Follow Up

6.1 The Executive Committee shall review the internal audit report and decide on a corrective and preventive action plan to improve the operation of the MLA Program within 60 days.

6.2 The Executive Committee shall follow up and ensure the completion of any corrective and preventive action, in consultation with the Team Leader.

6.3 The Executive Committee shall report the results of the review and any corrective and preventive action to the MLA Group and the Plenary.

ANNEX A Reference Documents for Internal Audit

The current version of the PAC documents listed below shall be used as the basis for the internal audit of the PAC MLA Management Process.

- Basic Documents
 - PAC MoU (PAC-DOC-001)
 - PAC MLA Policies and Procedures (PAC-DOC-010)
- Associated Documents, including
 - Terms of Reference of PAC Executive Committee (PAC-DOC-016);
 - PAC Procedure for Checking Applications to Join the MLA Group (PAC-DOC-005)
 - PAC Procedure for Notifying the PAC MLA Group of Significant Changes in a Member Body (PAC-DOC-004)
 - PAC Procedure for Providing Basis for Decision of Membership of the MLA Group (PAC-DOC-021);
 - PAC Procedure for Appeals (PAC-DOC-008);
 - PAC Procedure for Evaluation of Peer Evaluator's Performances by the Team Leaders (PAC-DOC-022);
 - PAC Procedure for Confidentiality (PAC-DOC-020).
- Previous audit reports

ANNEX B Contents of Internal Audit Report

1. Cover Page

- Identifying team leader, team members (if any) and date and place of internal audit.

2. Summary Page

- Being prepared and signed by team members and signed by the PAC Secretary on the last day of the audit;
- Containing the purpose of the audit, participants, criteria against which the audit is performed, activities undertaken during the audit and main conclusions on the operation of the MLA program.

3. Administration of the MLA Program

- Comments on the implementation of each requirement specified in the MLA Policies and Procedures and associated documents;
- Comments on the control of documentation and records related to the operation of the MLA Program.

4. Appendixes

- Internal Audit Plan;
- Observations and Non-conformity Report.