Organisational Internal Audits

This factsheet provides information about organisational internal audit programs, their purpose and how they might be designed, implemented and reviewed. Having a documented program of internal audits is a requirement of NDIS Practice Standard Outcome 2.3 Quality Management.

In considering designing your internal audit program, the NDIS Commission is clear that the ways this is done should be proportionate to the size, and scale of the provider and the scope and complexity of supports delivered.

Some examples of evidence to support meeting this Practice Standard indicator

- Policy on your approach to internal audits
- Internal Audit Plan
- Internal Audit Schedule and audit results
- Quality Improvement Register that shows where an audit is initiated in response to an incident/complaint
- Examples of the changes in policies or practices, as a result of audits
- Staff orientation (for new) and training (for current) on the purpose of audits and their role in their conduct.

Elements of an Internal Audit System

What is an internal audit?

Internal audits are a way to provide an unbiased review of how your organisational systems and processes are operating.

What is the purpose of an internal audit?

Internal audits are generally used by management to ensure organisational policies and procedures are being implemented the way they were intended and in a consistent way across your organisation. They help to bring confidence and they help improve processes and/or identify any weakness in organisational controls (such as checking organisational policies and procedures are followed and to alert management to any gaps in compliance with policies/procedures).

The aim of an internal audit is to identify weaknesses within the organisation's processes so that they can be fixed as quickly as possible to prevent harm to the organisation or its stakeholders. They are an important part of your Quality Management System.

Establishing an audit plan

The internal audit plan should be designed to examine those areas that present the greatest risk to the organisation. You may also want the internal audit plan to include

a component of the strategic needs of your organisation. With this in mind the plan begins with identifying the areas that will be included in your audit plan.

Depending on the risk an area presents you then determine how often a practice is required to be audited. The plan can be scheduled on a calendar. It is important that the schedule be flexible to allow for any unidentified risk area that may arise. (Such as infection control in COVID-19 circumstances). A schedule helps to ensure the audit is completed. Your audit plan may be determined by your organisational size, number of locations, support offerings.

Encourage staff engagement

Many organisations encourage staff to co-conduct audits. This enables them to see the value of relevant and thorough policies and procedures as support for their roles.

What does an audit look like?

You can ask staff to explain their work process and their understanding of what is expected procedure. Compare the described process with the written policy. This enables understanding of any additional training needs or weaknesses in procedures. Audits can also observe processes or review documentation to check it matches recording requirements, for example participant files.

How do internal audits relate to external audits?

Both check whether the organisation is performing certain activities as they are intended and as they are required by Standards or other external requirements. One provides results internally only, the other externally. When they cover the same scope, the internal audits can be used as a pre-test for the external audit, by using the results from the internal audit to identify any weaknesses and work towards correcting or strengthening them in preparation for the external audit.

Resources to Assist

For examples of a template for a Quality Improvement Register, see the NDS resource Quality Management Guide on the NDS website.

www.nds.org.au/images/resources/
Quality-Management-1.pdf