SATBAYEV UNIVERSITY	**NON-PROFIT JOINT STOCK COMPANY "KAZAKH NATIONAL RESEARCH TECHNICAL UNIVERSITY named after K.I. SATPAYEV"**	
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INTERNAL AUDIT

DP KazNRTU 801

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INTERNAL AUDIT

Documented procedure № 801

1 GENERAL PROVISIONS

1.1 This procedure “Internal Audit” is designed to manage internal audits, non-conforming products and corrective actions of management systems in KazNRTU named after K.I.Satpayev (hereinafter - the University).

1.2 This procedure establishes a uniform procedure, rules and responsibilities in planning and conducting internal audits, which is aimed at determining compliance with the established requirements, assessing performance and establishing the possibility of improving quality.

1.3 All work under this procedure shall be supervised by the supervising Vice-Rector and the Strategic Development Department.

1.4 The documented procedure "Internal Audit" is a document of the University's management systems that defines the requirements of ESG, ISO 9001, 45001, 14001 and ISO/IEC 17025 standards. Internal audit is conducted by full-time employees who have received appropriate training and received the necessary qualifications of an internal auditor (Appendix A).

1.5 The procedure is mandatory for all University employees involved in internal audit processes.

1.6 For clarity, a flowchart and input/output matrices of the “Internal Audit” process are presented in Appendix B.

1.7 The “Internal Audit” process includes the following main sub-processes:

– internal audit planning;
– selection of auditors with appropriate competence ;
– conducting an audit;
– analysis of audit results;
– discuss and plan for preventive and corrective actions;
– monitoring of the implementation and analysis of the effectiveness of the correction.

2 REGULATORY REFERENCES

This procedure contains references to the following legal and regulatory documents :

– Law of the Republic of Kazakhstan dated July 27, 2007 No 319-III "On Education";

– Law of the Republic of Kazakhstan dated November 09, 2004 No. 603-II "On Technical Regulation".

– Law of the Republic of Kazakhstan dated July 05, 2008 No. 61-IV "On accreditation in the field of conformity assessment".

– International quality standards ISO series 9000, 45000, 14000.

– GOST ISO/IEC 17025:2019 General requirements for the competence of testing and calibration laboratories.

– MS ISO 19011:2018 Guidelines for the audit of management systems.

– Standards and Guidelines for Quality Assurance in the European Higher Education Area. ENQA report. 2015. (Standards and recommendations for quality assurance in the European Higher Education Area (ESG).

– Rules for the organization of the educational process on credit technology of education in organizations of higher and (or) postgraduate education approved by Order of the Minister of Science and Higher Education of the Republic of Kazakhstan dated April 5, 2023 No. 145.

– Charter of the Non-profit Joint-stock Company "Kazakh National Research Technical University named after K.I.Satpayev".

– The NJSC Development Program for 2023-2027 approved by Government Decree No. 401 dated May 26, 2023;

– Quality policy of KazNRTU named after K.I.Satpayev;

– Orders of the rector of KazNRTU named after K.I.Satpayev.

3 TERMS AND DEFINITIONS

Analysis	Determination of the suitability, adequacy, effectiveness of the object to achieve the set goals
Audit	A systematic, independent and documented process for obtaining objective evidence and evaluating it objectively in order to determine the degree of compliance with audit criteria
Internal regulatory document	A document developed and approved by the University. The scope of such a document is limited to the University
Group Leader	Expert Appointed to Lead the Audit
Auditor	A person competent to conduct an audit
Competence	The ability to apply one's knowledge and skills to achieve desired outcomes
Corrective Action	Action to eliminate the causes of nonconformity and prevent its recurrence
Correction	Action to eliminate the detected discrepancy Note 1. Correction can be performed in combination with a corrective action. Note 2. Correction may include, for example, reworking or reducing gradation

Audit criteria	A set of policies, procedures, or requirements used to compare with objective evidence, which may be presented as references to standards.
Audit Observation	The result of evaluating the collected audit evidence against the audit criteria
Inconsistency	failure to meet requirements
Audit area	The contents and boundaries of the audit
Preventive action	Action to eliminate the causes of potential inconsistencies or another undesirable situation
Efficiency	The degree of implementation of planned activities and achievement of planned results
Risk	The impact of uncertainty
Accordance	meeting requirements
Improvement	performance improvement action
Effectiveness	ratio of achieved results to resources used

4 INTERNAL AUDIT PLANNING

4.1 In August of this year, the rector's Order approves the schedule and composition of the audit group for the upcoming academic year (F KazNRTU 801-01). The information is provided by the Department of Strategic Development (hereinafter referred to as DSR) through the Salem Office EDMS, electronic mailing of the order, as well as an announcement on the University's website.

4.2 Internal audit can be planned and unplanned.

4.3 In case of special situations in the course of the University's activities, for example, claims from interested parties, as well as at the request of customers, unscheduled internal inspections of the quality assurance system can be carried out on the basis of an order from the Top Management.

5 PREPARATION FOR INTERNAL AUDIT

5.1 The audit team leader applies a risk-based approach when planning the audit, based on the information contained in the audit program and the documented information provided by the audited department.

5.2 The team leader appointed to conduct the internal audit of the department prepares the Internal Audit Program Report (Form KazNRTU 801-02).

5.3 The internal audit program aims to establish that the quality management system meets all key quality requirements, is effectively implemented, and is maintained in a working condition. The program is prepared considering the status and importance of the processes and areas to be audited, as well as the results of previous audits.

5.4 When preparing the Program Report:

- The audit objectives are formulated;
- The scope of the audit is determined;
- The methods and criteria for the audit are specified.

5.5 One week before the internal audit begins, the team leader provides a copy of the Checklist (Form KazNRTU 801-03) to the head of the audited department, along with necessary explanations about the timing and objectives of the audit and the composition of the audit team.

5.6 The department head informs the staff about the upcoming audit and prepares the necessary documents for review.

6 CONDUCTING THE AUDIT

6.1 The internal audit begins with an opening meeting between the audit team and the head (or representative) of the audited department, along with the department's staff. During the meeting, the objectives, scope, methods, and criteria of the audit, as well as other audit requirements, are explained. The meeting lasts no more than five minutes.

6.2 Objective evidence is collected during the internal audit process:

a) baseline data to identify risks and opportunities:

– results of the analysis of external and internal factors;

– indicators of the Development Program;

– stakeholders related to the specific management system and their requirements;

– potential sources of risk, such as environmental aspects, security threats and corruption including.

b) risk and opportunity assessment methods .

6.3 The audit is conducted through staff interviews (of the department personnel or officials), information modeling (document review), visual observation (inspection of objects, testing, and surveying).

6.4 The internal audit begins with the review of the implementation of corrective and preventive actions based on the results of previous audits (if such audits were conducted).

6.5 Information about identified non-conformities is documented in the Non-Conformity/Observation Report (Form KazNRTU 801-04) and in the Audit Team Leader’s report, with the acknowledgment signature of the head of the audited department. The auditor records their findings based on evidence (facts).

6.6 All observations made during the audit are recorded by the auditors in the checklist. Entries in the checklists must be sufficient to facilitate the discussion of audit results .

6.7 The audit lasts no more than one hour .

7 DETECTION OF NONCONFORMING PRODUCTS

7.1 Areas of nonconformity detection include, for example, curricula, the work of teaching staff and students, services provided by the University, the quality of laboratory tests and test reporting, the quality of equipment repairs, etc. Records of nonconformities should be recorded and updated annually.

Non-conforming products/services are identified in the processes of:

- incoming inspection;
- quality control at various stages of the lifecycle;
- internal quality audits;
- self-monitoring by the performers;
- analysis and handling of complaints and claims against the University.

7.2 The responsibility for identifying non-conforming products/services lies with:

- the work performers and their supervisors;
- those responsible for quality control of products/services;
- those responsible for registering complaints and claims;
- the trainees.

7.3 The procedure for registration and management of claims received from Consumers (teaching staff and students) is defined in DP KazNRTU 721 "Consideration of appeals and legal entities".

7.4 Upon discovering non-conforming products/services, work performers are required to:

- take actions to address the identified issue;
- mitigate the consequences;
- correct the deviation, if possible.

8 IDENTIFICATION OF NON-CONFORMING PRODUCTS

8.1 The Non-Conforming Product Report (Form KazNRTU 801-04) is prepared to identify the discovered non-conforming product.

8.2 The grading of non-conformities is determined by the Audit Team Leader as follows:

- Major/Critical non-conformities: non-conformities that violate the laws and regulations of the Republic of Kazakhstan, the Ministry of Science and Higher Education, and pose a risk of non-conformities that may lead to financial losses.
- Minor non-conformities: deviations from the internal standards of the University that can be corrected in the shortest possible time.

9 ANALYSIS AND HANDLING OF NON-CONFORMING PRODUCTS

9.1 The head and staff of the department conduct an analysis of non-conforming products or services and determine:

– the causes of the non-conforming products;

– the decision regarding the non-conforming products;

– the necessary corrective and preventive actions to eliminate the causes of the non-conformities and ensure their prevention;

– the person responsible for carrying out the necessary corrective actions;

- the need for revising business processes.

9.2 Products or services, after correction or corrective actions, are re-checked for compliance with the documented requirements.

9.3 The verification of non-conformity elimination and the analysis of the corrective action taken are carried out by the department head, with a corresponding entry made in the report.

10 DOCUMENTATION OF AUDIT RESULTS

10.1 According to the results of the audit, the Head of the group fills out a report (F KazNRTU 801-05), within 3 working days.

10.2 The head of the group informs the head of the unit under review or, in his absence, a representative of the unit with a signed inspection report (in the report).

10.3 The documents (act, program and report) are signed by all members of the audit team.

10.5 The head of the group submits the original report to the JEM for the formation of a summary report on internal audits and approval by the decision of the Management Board.

11 CORRECTIVE ACTIONS

CA is being undertaken to prevent possible risks, prospects for improvements, improve performance and, as a result, increase customer satisfaction (internal and external).

The results of corrective and preventive actions are brought to the attention of consumers and other interested parties.

The process of implementing corrective actions includes:

– identifying and analyzing the causes of non-conformities based on business process results, including:

– reviewing feedback from consumers (trainees, employers, faculty, staff, and other stakeholders);

– monitoring the execution of product lifecycle processes, support processes, and management;

– overseeing trainees at all stages of the academic process;

– assigning corrective actions for non-conformities and their causes;

– monitoring the implementation of corrective actions;

– evaluating effectiveness;

– necessary documentation at appropriate stages.

The identification and analysis of the causes of non-conformities, as well as the evaluation of necessary actions, are carried out by the head of the department (or the process owner) where the non-conformity was identified, involving the necessary specialists based on their competence, qualifications, and experience.

The head of the audited department (or another designated official in their absence), in accordance with the Non-Conforming Product Report:

– develops a plan for corrective and preventive actions (Form KazNRTU 801-06) that includes measures to eliminate the causes of non-conformities according to the procedure;

– ensures the implementation of corrective actions;

– verifies the effectiveness of the corrective actions.

The team leader shall verify the implementation of corrective actions within the agreed timeframe with the head of the audited unit and sign in the Internal Audit Program-Report. In case of non-implementation of corrective actions, the head of the unit submits an explanatory note to DSD on the reasons for non-implementation signed by the supervising vice-rector.

12 RESPONSIBILITY

Responsibility for conducting the audit lies with the appointed Audit Team Leader.

Responsibility for improving the quality assurance system rests with the heads of departments within their respective authorities.

13 RISK MANAGEMENT IN THE PROCESS OF CONDUCTING INTERNAL AUDITS

13.1 In the process of internal audit may arise risks, depending on the type of which it is necessary to take measures to minimize them.

Name and description of the risk	Causes of risk	Consequences of risk	Risk management measures	Supporting documents
Failure to meet audit deadlines	Change in the structure of the University Insufficient number	Failure to fulfill the requirements of the audit, Rector's order	Adjustment of audit plan schedule Conducting	Approved structure of the University, Plan-schedule of

	of trained auditors	Disciplinary action	training for faculty and staff	internal audits, Audit Report
Risk of failure to submit audit reports by the Team Leaders within the established deadlines	Negligent behavior of Team Leaders in preparing the program report. Prolonged process of report approval	Dissatisfaction of structural divisions with the quality of the conducted audit. Failure to meet deadlines for providing the consolidated report	Control by DSD Re-audit	Act, program report, checklist and report

List of forms DP KazNRTU 801

№	Title of document	Form	Storage location	Term Storage
1	Internal Audit Schedule	Form KazNRTU 801-01	DSD	constantly
2	Internal Audit Program Report	Form KazNRTU 801-02	DSD	constantly
3	Checklist	Form KazNRTU 801-03	DSD	constantly
4	Non-Conforming Product Report	Form KazNRTU 801-04	DSD	constantly
5	Internal Audit Report	Form KazNRTU 801-05	DSD	constantly
6	Corrective/Preventive Action Plan	Form KazNRTU 801-06	DSD	constantly
7	Non-Conformity Register	Form KazNRTU 801-07.	DSD	constantly

Appendix A

REQUIREMENTS FOR AUDITORS

– A1 Employees of the University who have completed training in the internal auditor preparation course are involved in conducting internal audits.

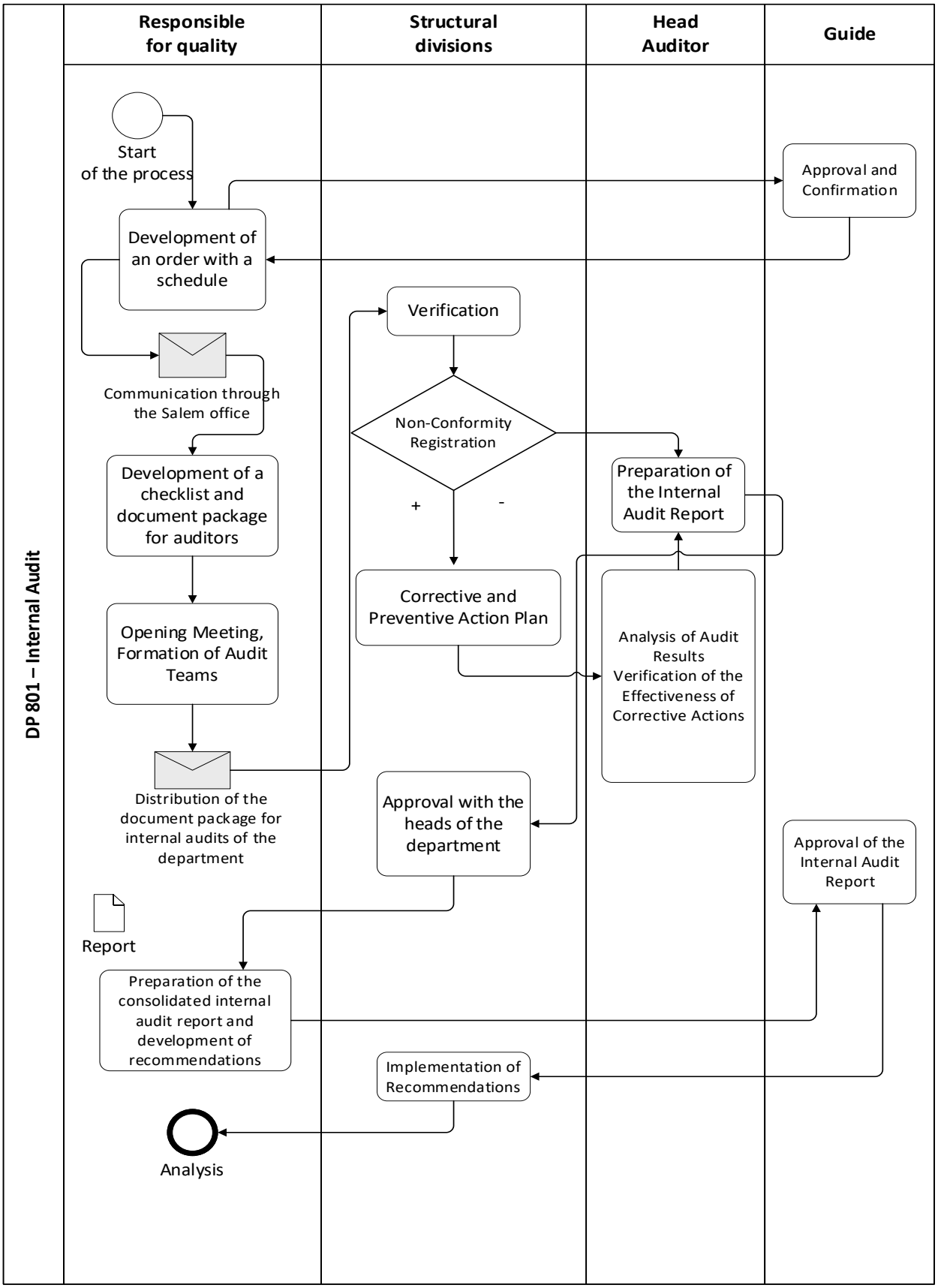
– A2 Internal auditors undergo training to confirm their qualifications in specialized training organizations once every three years.

– A3 The University management, when selecting candidates responsible for training and serving as internal quality management system auditors, takes into account the requirements of ISO 19011 and ISO/IEC 17025. Employees who are respected within the University, calm, balanced, capable of defending their opinions, and possess higher education and work experience are chosen.

– A4 To ensure independence and objectivity, experts who do not work in the audited department are appointed to conduct the specific audit.

– A5 The number of trained auditors is determined based on the number of University employees, ensuring the continuity of the internal audit process.

Appendix B


DP 801 – Internal Audit
Responsible for quality
Structural divisions
Head Auditor
Guide
Start of the process
Development of an order with a schedule
Approval and Confirmation
Communication through the Salem office
Development of a checklist and document package for auditors
Opening Meeting, Formation of Audit Teams
Distribution of the document package for internal audits of the department
Verification
Non-Conformity Registration
+
-
Corrective and Preventive Action Plan
Approval with the heads of the department
Preparation of the Internal Audit Report
Analysis of Audit Results
Verification of the Effectiveness of Corrective Actions
Approval of the Internal Audit Report
Report
Preparation of the consolidated internal audit report and development of recommendations
Implementation of Recommendations
Analysis

Change Registration Sheet _____

Serial number changes	Section, paragraph document	Type of change (replace, cancel, add)	Number and date notice	Change made	
				Date	Last name and initials, signature, position