

- Value based auditing commences right from the beginning during the Pre- certification process.
- Clear communication and a commitment to understanding the needs of the organisation, the challenges they are facing as well as what is working well and what is not should be on the top of our list. This can be based on SWOT , Porters 5 principles or anything else, so long as the management has a clear understanding of their challenges and have a strategy. Point to note is that not all of this may be documented but may be in the head of the owner?
- A clear understanding of the organisational processes & activities because process may be too difficult a concept?
- We encourage auditors to understand the pulse of the organisations systems and understand its effectiveness against the desired Goals and objectives of the organisation.
- The key steps involved in the auditing process should include:
 - Examining the organisations processes/activities
 - Identify what activities will be in scope and which ones will be looked at subsequent years. Based on customer priorities. (EG have a goal of increasing revenue by 20%. Worthwhile asking how? Do they plan to do it)
 - Interviewing the relevant process owners and other key personnel
- Prioritising the areas where the system is not performing effectively and communicating the key risks associated with it

What is value based auditing?

- Value Based auditing is designed to help customers realise what activities are driving competitive differentiation advantage or boosting their profits/lowering their costs
- Our commitment to our customers are all about progress which is largely embedded through delivering effective value through the audit process
- We are invested as an organisation to helping customers drive progress and helping them achieve their strategic objectives

Why Value based Auditing?

- Our Customers have indicated to us that during these COVID-19 times, they are seeking ways in which they can achieve process improvement and operational efficiencies.
- SCPL Mission statement: To provide value added certification and training services globally which empower customers to deliver sustained excellence, process improvement and increased profitability
- Organisational needs are closely aligned with their strategic objectives so the core process efficiencies and service delivery are the key to creating a competitive difference or cost difference.

How to deliver value based Auditing? AN example in the construction Industry.

Since SCPL is heavily into auditing in the Construction sector this is a great example. This example mixes use the words like process, activities and the differences discussed above, Its relatively easy to separate the various phases.

One noticeable issue with many of our clients is just getting the piece of paper (certificate) to be able to get the job. A must have.

- Value based auditing can be delivered through commitment to helping customers drive process improvement.
- Focus on Primary Value Chain Activities in Construction
- There are five main activities within the value chain in construction, as well as two other activities that are not always necessary for every project. The five main activities include:
 - Raw Materials – These are the materials that will be used within the construction project.
 - Product Manufacturing – This includes all the manufacturers that are used throughout the project.
 - Design and Engineering – The design and engineering section of the value chain includes the building owner, architects, and engineers.
 - Construction – The construction phase will also include the architects and engineers, but all the contractors that are used as well.
 - Operations and Maintenance – Operations and maintenance includes any maintenance companies that are used, the building owner, and anyone who occupies the building.
- The other two value chain activities within construction can include demolition of older buildings before the new construction can begin and the renovation of a building that is already built and in use
- The goal of the value chain activities in construction is to ensure that everything works smoothly until the entire project is complete. Oftentimes, there are organizational structures and control systems in place to ensure nothing gets left out. Technology plays a huge part in the value chain in construction, but so do the employees that are hired to do the work.
- If we take a look at construction sector as an example then Secondary activities include Technological innovations, marketing and services are considered to be integral to delivering improved efficiencies within organisation
- As auditors focused within the construction industry, our goal should be to focus on understanding the core processes and challenging the organisation to come up with innovative concepts such as Demountable and recyclable buildings or building components, building capacity. Innovation may occur through
- Innovation plays a pivotal role in fostering structural change in the construction sector

Auditors Guide to Value Based Auditing



- As auditors, our focus should be to drill down into each function of the organisation to help customer have a self-realisation.
- Suggested Improvements and nonconformances are a great way to help organisations operational efficiencies