

# REPORT GROUP INTERNAL AUDIT

<b>Title:</b>	Audit of RMDS Management System for compliance with ISO 9001:2000
<b>Client:</b>	Cormac Madden, Manager, RMDS
<b>Completed during:</b>	18 <sup>th</sup> and 19 <sup>th</sup> October 2006
<b>Report Issued by:</b>	Peter Brady, Audit Manager, Group Internal Audit 20 <sup>th</sup> October 2006

## 1. Introduction

In June 2005 the Commission for Energy Regulation appointed ESB Networks as the Design Administrator for the retail electricity market.

Retail Market Design Service (RMDS) is a ringfenced function within ESB Networks which is responsible for carrying out the role of Design Administrator for the retail electricity market, as laid down in a decision by CER in June 2005. RMDS has undertaken to obtain ISO 9001 certification for its management system. RMDS invited Group Internal Audit to review its management system and make recommendations for improvement in preparation for certification.

A review was carried out by Steve Johnson, Group Internal Audit, of the RMDS Management System on 18<sup>th</sup> and 19<sup>th</sup> October 2006.

## 2. Methodology

Quality Manual and online system including procedures in ARIS were reviewed with Brona McKnight, Quality Manager. Other RMDS staff (Oonagh Delaney and Susan Morrissey) were consulted for clarifications on various issues.

All applicable clauses of ISO 9001:2000 were audited.

## 3. Summary and Conclusion

The management system has been audited and is considered to be in an advanced stage of preparation.

The following positive observations were noted during the audit:

- There is strong evidence of management commitment to the development and continual improvement of the management system.
- Customer focus is demonstrated through regular stakeholder and progress meetings and various other communication channels, and a general culture of transparency.
- RMDS has a strong focus on process approach. Processes are modelled in ARIS and interaction of processes is clearly demonstrated. ARIS is an excellent tool for modelling processes and providing linkages to other tools and records.
- RMDS's experience of issue logging will lend itself to establishing an action tracking system for driving continual improvement of the management system.

Subject to addressing the findings in Section 4 of this report, RMDS should be in a position to apply for formal certification to ISO 9001:2000.

#### 4. Audit Findings

Audit findings are categorised as follows:

**Category 1:** A non-conformity that would have a high probability of precluding certification to ISO 9001:2000

**Category 2:** A non-conformity that is less significant than a Category 1 finding

**Category 3:** A comment, an opportunity for improvement or a request for clarification.

These findings have been discussed and agreed with RMDS Manager.

Finding Ref.	Clause Ref.	Finding	Category Code
1	4.2.4	Establish requirements for retention of records	2 *
2	5.4.1	Supplement quality objectives to address the Quality Policy in a more comprehensive manner (e.g. financial, people)	2 *
3	5.5.2	Clarify responsibilities for Management Representative and Quality Manager / Quality Co-ordinator roles	2 *
4	5.6	Carry out and document a management review prior to certification audit	2 *
5	6.2.2	Identify required staff skills / competencies to carry out RMDS services (e.g. in the form of a Competency Matrix)	2 *
6	8.2.1	Put in place a framework for gathering quantitative feedback on customer satisfaction (e.g. customer satisfaction questionnaire)	2 *
7	5.6, 8.2.2, 8.5.3	Introduce multi-purpose action tracking system for logging and tracking issues arising from internal audit, management review and improvement suggestions (e.g. preventive action)	2 *
8	4.2.4	Outline how security and backup of electronic records is ensured	2
9	4.2.2, 5.3, 6.2	Refer to management of service providers to RMDS (e.g. Gemserv, IT Consultants etc.) within Manual	2
10	6.2.2	Put in place a framework for recording staff education, training, skills and experience (e.g. individual training and development record)	2
11	6.3	Define how IT infrastructure is managed – e.g. SLAs with IT Services and IT Security, arrangements for giving input to SLA meetings, Business Continuity Planning etc.	2
12	4.2.3	Define the documents that are covered by the Document Control procedure	3
13	4.2.3	Introduce version control for forms and checklists	3
14	7.3.5	Define the decision criteria for final approval by RMDS Manager in Release Planning Procedure	3
15	7.5.1	Define the decision criteria for final approval by RMDS Manager in New Market Entrant Procedure	3
16	4.2.2, 5.3	Refer in Manual (and perhaps in Quality Policy) to key documents that establish the purpose / charter of RMDS; e.g. CER/05/081 Governance Procedures for the Liberalised Retail Electricity Market - A Response and Decision Paper (June 2005), annual business plans etc.	3

Finding Ref.	Clause Ref.	Finding	Category Code
17	5.4.1	Classify service objectives into 'core' and 'secondary' and specify which will be measured and reviewed.	3
18	5.6	Update Management Review procedure, showing inputs and outputs as process steps. Add staff survey as an input to Management Review.	3
19	6.3	Define how building and workspace is managed – e.g. SLA with Shared Services, arrangements for giving input to SLA meetings, Business Continuity Planning etc.	3
20	6.4	Refer to Safety Policy(s) under 'Work Environment'	3
21	7.1	Provide a listing of the main processes for product/service realisation under 'Planning of Product Realisation'	3
22	7.2.2	Outline how product requirements are reviewed (e.g. "all product delivery processes are broken into phases, giving adequate opportunity to review requirements with customers")	3
23	7.2.3	Outline how RMDS communicates with customer in relation to product, progress on delivery, and customer feedback, e.g. internet, email, complaints procedure, customer survey	3
24	7.3.2	Outline the inputs to design and development – e.g. sources of requests for changes to market design	3
25	7.3.3	Outline how design outputs are checked against inputs and formally approved	3
26	7.3.6	Outline how design validation is carried out – e.g. testing / assurance process.	3
27	7.3.7	Outline how design changes are controlled – e.g. version control and rollback, end-to-end testing etc.	3
28	7.4	Provide link to ESB Procurement Procedure	3
29	7.5.1	Make reference to procedures / work instructions / job aids and software tools (e.g. MS Office, ARIS) used for service delivery	3
30	7.5.2	Outline how processes for service provision are validated – e.g. validation of processes by CER / market participants	3
31	7.5.3	Outline how identification and traceability of product is managed – e.g. version control, document control	3
32	7.5.4	Outline how customer intellectual property is managed – e.g. records management	3
33	8.2.2	Outline how internal audit will be carried out while avoiding situations where auditors audit their own work (e.g. using individuals from outside of RMDS)	3
34	8.2.4	Outline how monitoring and measurement of product is managed – e.g. making reference to checks in service delivery procedures to ensure that product meets specification	3
35	8.4	Include customer satisfaction questionnaires and staff survey results in list of KPIs that are analysed	3

\* Should be implemented prior to certification audit

## **5. Information provided by GIA**

Group Internal Audit provided the following information to RMDS as aids to address some of these findings:

- Sample customer satisfaction questionnaires
- Sample Competency Matrix
- Sample staff training and development record
- Compliance matrix used by NSAI