

Australian Standard®

Quality system guidelines

**Part 10: Guide to
AS/NZS ISO 9001:1994
for the finance industry**

This Australian Standard was prepared by Committee QR/2, Quality of Service. It was approved on behalf of the Council of Standards Australia on 29 August 1997 and published on 5 November 1997.

The following interests are represented on Committee QR/2:

Australian Automobile Association
Australian Bankers Association
Australian Organization for Quality
Department of Defence
Electricity Supply Association of Australia
Federal Bureau of Consumer Affairs
Institution of Engineers Australia
Master Builders Australia
Metal Trades Industry Association of Australia
New Zealand Association of Certifying Bodies
Public Relations Institute of Australia
Quality in Law
Quality Society of Australasia
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Credit Unions
Building Societies
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PREFACE

This Standard was prepared by the Joint Standards Australia/Standards New Zealand Committee QR/2 on Quality of Service.

The objective of this Standard is to assist organizations in the finance industry to develop a quality system using language and examples relevant to the profession.

This Standard is the result of a consensus among Australian and New Zealand representatives on the Joint Committee to produce it as an Australian Standard.

This Standard includes the clauses of AS/NZS ISO 9001:1994, *Quality systems—Model for quality assurance in design, development, production, installation and servicing*, followed by guidance to each clause. Copies of other ISO Standards referred to within these Guidelines can be obtained from Standards Australia and Standards New Zealand.

The specific statutory and regulatory requirements that financial institutions are obliged to meet are not addressed directly in AS/NZS ISO 9001 or in this Standard. However, such requirements, where they are applicable, should be contained in written procedures and therefore should become an integral part of the quality system.

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FOREWORD

This Standard provides guidance on the interpretation and application of AS/NZS ISO 9001:1994, *Quality systems—Model for quality assurance in design, development, production, installation and servicing* and AS/NZS ISO 9002:1994, *Quality systems—Model for quality assurance in production, installation and servicing*, for a financial institution wishing to use either of these quality system Standards as a model for the organization's quality system.

It is aimed at those financial institutions providing a service to their customers of holding moneys on deposit or by way of investment, facilitating payment transactions, advancing money or credit by loans or other credit-based facilities, accepting defined forms of risk, or arranging loans, credit accommodations or capital raisings. However this should not deter organizations in the finance industry who consider they are outside this scope from using the document if they find it useful.

One of the key issues that any financial institution will need to consider in introducing a quality system is that of confidentiality. This issue is not specifically addressed by either AS/NZS ISO 9001 or AS/NZS ISO 9002. However it is probable that financial institutions will want to address this issue within their documented system. This may be in the form of a policy statement, within a procedure(s), or as part of a separate document. In relation to either Standard, the following Clauses may require some reference to confidentiality—

- 4.3 Contract review (i.e. dealing directly with customers);
- 4.7 Customer-supplied product (or information);
- 4.9 Process control (e.g. account management, conducting transactions);
- 4.15 Handling, storage, packaging, preservation, and delivery (of documents and data);
- 4.16 Control of quality records;
- 4.17 Internal quality audits;
- 4.18 Training (e.g. induction, Privacy Act).

Confidentiality may be considered from two aspects, internal and external.

Internal confidentiality

Customers of financial institutions are entitled to expect that confidentiality is being maintained in regard to their personal data and transactions. However it is generally accepted that, in order to test that adequate controls are in place, some internal verification activity takes place. This usually comprises of—

- financial audits, where qualified personnel verify compliance to technical standards; and
- quality assurance audits (as per AS/NZS ISO 9001 or AS/NZS ISO 9002, Clause 4.17), where trained personnel verify compliance to the financial institution's approved policies and procedures.

Both types of audits generally require some access to customer records for the purpose of testing for satisfactory compliance, however since these activities are conducted in-house, confidentiality issues and security clearances will usually be covered by normal operating practices and training.

External confidentiality

Financial audits by external parties will normally be conducted by qualified professionals (e.g. a Chartered Professional Accountant), who have been evaluated and appointed by executive management. It will be expected that their credentials will be supplemented by some form of signed confidentiality agreement which covers activities conducted on-site, and the security of records taken off-site for audit processing.

External quality assurance audits will be expected to be conducted by qualified quality auditors who are recognized by an accredited auditor certifying body (e.g. Quality Society of Australasia), and who are bound to observe confidentiality requirements established by that body's Code of Conduct. Similarly, certification organizations providing quality system auditors should be accredited by JAS-ANZ (Joint Accreditation Scheme—Australia and New Zealand), and may also proffer a declaration of confidentiality.

Quality system auditors will usually require some access to random customer records in order to sight evidence of compliance to procedures, however personal data will not be recorded, or records removed. (Financial institutions may wish to de-identify such records prior to identification by auditors).

In all cases, the parties must determine, and agree on, the levels of confidentiality that they find acceptable, having due regard for established codes and legislation, and the compliance requirements of quality Standards. (The provision of audit services may also be addressed by purchasing procedures).

Financial institutions should keep in mind that external audits are meant to be a positive event, designed to assure management and customers that things are indeed happening as they should.

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Introduction

This International Standard is one of three International Standards dealing with quality system requirements that can be used for external quality assurance purposes. The quality assurance models, set out in the three International Standards listed below, represent three distinct forms of quality system requirements suitable for the purpose of a supplier demonstrating its capability, and for the assessment of the capability of a supplier by external parties.

- a) ISO 9001, *Quality systems—Model for quality assurance in design, development, production, installation and servicing*
 - for use when conformance to specified requirements is to be assured by the supplier during design, development, production, installation and servicing.
- b) ISO 9002, *Quality systems—Model for quality assurance in production, installation and servicing*
 - for use when conformance to specified requirements is to be assured by the supplier during production, installation and servicing.
- c) ISO 9003, *Quality systems—Model for quality assurance in final inspection and test*
 - for use when conformance to specified requirements is to be assured by the supplier solely at final inspection and test.

It is emphasized that the quality system requirements specified in this International Standard, ISO 9002 and ISO 9003 are complementary (not alternative) to the technical (product) specified requirements. They specify requirements which determine what elements quality systems have to encompass, but it is not the purpose of these International Standards to enforce uniformity of quality systems. They are generic and independent of any specific industry or economic sector. The design and implementation of a quality system will be influenced by the varying needs of an organization, its particular objectives, the products and services supplied, and the processes and specific practices employed.

It is intended that these International Standards will be adopted in their present form, but on occasions they may need to be tailored by adding or deleting certain quality system requirements for specific contractual situations. ISO 9000-1 provides guidance on such tailoring as well as on selection of the appropriate quality assurance model, viz. ISO 9001, ISO 9002 or ISO 9003.

GUIDANCE

The Introduction references three Standards for quality systems, of which AS/NZS ISO 9001 and AS/NZS ISO 9002 are applicable to the finance industry. AS/NZS ISO 9001 provides for those organizations who are involved with the design of systems while AS/NZS ISO 9002 does not include the design requirement and caters for those organizations who provide financial services but do not design them.