ABSTRACT
Internal auditing can contribute to letting people explore together, by letting them break away from the daily work routine. But the results are often perceived as criticism, so people do not always cooperate because they fear being judged based on the findings of the internal audit. How does appreciative auditing differ from traditional auditing? What is the auditor’s role? How can the auditor ensure an audit becomes inspiring and forms the basis for the co-creation of improvements and upgrades?

What is appreciative auditing?

Traditional auditing
The point of departure in traditional auditing is the way of documenting working (processes) in ISO (International Organisation for Standardisation). It is aimed at testing whether an organization operates in accordance with the documented procedure:

• Is the process realized according to the arrangements agreed in advance?
• Do actual practice and the description coincide?

The focus is on gaining insights into the control of the critical process steps. The audit report is aimed at registering issues of non-conformity, thereby revealing the difference between actual practice and the documented procedure. However, this does not usually tell us anything about how this difference has developed or its consequences. To be able to determine correction or improvement measures, the non-conformity still has to be investigated after the audit.

Appreciative auditing
The starting point is to look for the best practice: the successful moments during which the desired result was achieved:

• Consequence: What does this result imply?
• Cause: In what way was this result achieved?
• Responsibility: What was your contribution to this?

This provides a picture of the situation in which the result has been or is being realized. Possibilities are offered for co-creation (sharing knowledge and insights) and one is stimulated to generate improvement. The strength of an
Appreciative audit does not lie in tracking down mistakes, but in finding possible points for improvement so the organization and its business goals can be further developed. Experience has shown that an approach aimed at appreciation and learning increases the effectiveness of the audit.

<table>
<thead>
<tr>
<th>Traditional auditing</th>
<th>Appreciative and explorative auditing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on procedures and norms</td>
<td>Focus on improvement</td>
</tr>
<tr>
<td>Focus on the objective standards, without a great deal of consideration for those involved</td>
<td>Focus on appreciation inspires those involved</td>
</tr>
<tr>
<td>Focus on what is not going well</td>
<td>Focus on what goes well (best practice)</td>
</tr>
<tr>
<td>Can come across as a pedantic approach (policing)</td>
<td>Reflective</td>
</tr>
<tr>
<td>More focus on incidents</td>
<td>More focus on coherence</td>
</tr>
</tbody>
</table>

**Appreciative, explorative attitude**

An appreciative audit asks for a ‘yes-and’ attitude, or an appreciative explorative attitude, which is essential in the process of an appreciative audit. This is because in the auditing process a ‘yes-but’ attitude mainly registers the things which are not there, those which are missing or lacking, and which are not negative. Those who start from a ‘yes-and’ perspective will literally see more chances and opportunities than those who are looking for what is not there. In auditing, the most effective strategy is not to start by looking for what is not there without first investigating what is there.

**The ‘yes-and’ attitude in auditing**

1. Having an open mind
   - What is meant here by the auditee? In the assessment it is not necessary that it is immediately clear what is going on. The art is to have an open mind and first observe the things that are there.

2. Continuing to inquire
   - In his/her questions the auditor has to continue to focus on what is relevant in an appreciative manner, and summarize this information.

3. Arriving at a clear judgment
   - Delaying one’s judgment does not mean that it is cancelled. After a process of appreciative investigation, an auditor ultimately has to arrive at a clear judgment with respect to a learning and improvement trajectory.

**Appreciative audit questions**

Appreciative auditing by no means implies that non-conformities are being ignored and that problems ought not to be defined. Instead, they are investigated in an appreciative manner. For example: ‘This ISO-condition has not been met. What would be the risks of this, and how could they be dealt with?’

A non-conformity is also considered as a finding and subsequently placed in the perspective of points for improvement and opportunities. At the moment the question is asked, the first step to improvement is initiated. It creates awareness...
on the part of the employees with respect to their individual way of working and motivates them to think about what they can do themselves to realize quality improvements.

It can start with an open question, for example: ‘Could you tell us about the course of the procedure?’ The answer shows the direction the next question could take:

<table>
<thead>
<tr>
<th>The procedure runs smoothly</th>
<th>The procedure does not run smoothly</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the procedure runs smoothly, continue by asking about the good, successful moments and the individual contribution:</td>
<td>If the procedure does not run smoothly yet, continue by asking about how this could be improved and the individual contribution:</td>
</tr>
<tr>
<td>Give us an example of when the procedure ran smoothly.</td>
<td>You indicate that the organization does not yet operate in accordance with the procedure.</td>
</tr>
<tr>
<td>• What went well ...?</td>
<td>• What would you gain if the procedure were followed?</td>
</tr>
<tr>
<td>• Why was this?</td>
<td>• What would be a small step to make in order to improve this situation?</td>
</tr>
<tr>
<td>• How could you make sure that the procedure continues to run smoothly (securing it)?</td>
<td>• Suppose you come to work tomorrow and everything goes exactly according to procedure...</td>
</tr>
<tr>
<td>• What can you learn from this, what makes it run smoothly and could this possibly be applied to other procedures which are followed less successfully?</td>
<td>• Describe what this situation would be like. What would you do differently from what you do now?</td>
</tr>
</tbody>
</table>

Appreciative questions generate a good atmosphere and positive energy. As a natural response towards the positive core, the auditee gives more information about what is not going well and what has to be improved.

**Appreciative report**

If the audits have a more appreciative, explorative character, it is important to report on them in a similar tone. This is because the manner of reporting partly determines whether the receiving party will make use of the report. Cooperrider refers to ‘Positive Images – Positive Actions’, by which he means that a positive use of language evokes positive actions (and vice versa), and that is what it is ultimately about: stimulating people to learn in a way that motivates them to deal with and improve the conclusions.

**Case study: Zaans Medical Centre - the experiences of a hospital in practice**

The Zaans Medical Centre is a hospital with 300 beds, 1500 employees and 115 specialists in the northwest of The Netherlands. Their vision is that they treat patients as customers and strive for the best care with the best results. They respect their customers and each other.
Cooperrider refers to ‘Positive Images – Positive Actions’, by which he means that a positive use of language evokes positive actions (and vice versa), and that is what it is ultimately about: stimulating people to learn in a way that motivates them to deal with and improve the conclusions.

**Reason to start with appreciative auditing**

The hospital had already an external accreditation. One of the quality criteria of the accreditation is the existence of a verifiable climate for development, in which it is important that employees of the various units learn from each other. This was the reason the hospital started internal audits.

The hospital had already introduced Appreciative Inquiry in management development training for their managers. When TNO Management Consultants suggested adopting the Appreciative Inquiry (AI) approach to internal auditing in 2005, they responded immediately and positively. The hospital perceives the positive principle behind Appreciative Inquiry to be an important basic attitude because it focuses on the strengths of the organizational units, rather than looking at mistakes. Instead of trying to figure out who caused a problem, a positive appeal can increase people’s psychological ownership and responsibility.

**The appreciative auditing journey**

In 2005 the Zaans Medical Centre implemented appreciative auditing in the following way:

1. **Profile of an appreciative auditor**
   First, a profile was set up which included the criteria necessary for qualifying as an auditor. Employees of the hospital were invited to apply through an open application procedure. During the ‘job interview’ the following criteria were seen as important: empathy, being a team worker, the wish to contribute towards the improvement of matters within the organization and a positive attitude.

2. **Selection of 16 auditors**
   This procedure resulted in the selection of 16 auditors. They were subsequently trained in two two-day courses following the 5D-model of AI to become fully qualified for their task. This method allowed the auditors to explore and learn by themselves what it means to audit. They received input from trainers to guide their exploration, of course.

   The auditors audited themselves in practice in a follow-up meeting held two months after the training. They reflected on their learnings and on how they could further develop their own auditor roles in a second follow-up meeting held six months after the training.

   The organizations also invested by making it possible for each auditor to take time for the training. The care departments were compensated for the hours the auditor spent in training.

3. **Training of the 16 auditors in appreciative auditing in the role of the ‘internal auditor’**
   The goals of the training were to:
   
   a. develop a positive attitude/skill as an auditor to create trust and make real contacts with the people being audited.
   b. practise communication skills such as listening, summarising and giving feedback from a positive core.
   c. practise writing clear and appreciative reports that represent the audit dialogue in a way that invites learning and improving.
d. practise analysing the ‘big picture’ as well as the details during the audit and to create a focus during the dialogue.
e. develop good cooperation between the auditors, enabling them to make use of each others’ qualities.

By establishing the training via the 5D-model of AI, a noticeable team feeling has developed. The appreciative and pro-active approach of AI to designing their own roles as auditors, created a feeling of solidarity and self-responsibility.

4. Appreciative internal audits

People cooperated in an audit in teams of two or three. The audit teams were established based on affinity, experience and additional team qualities. Each audit team conducted appreciative audits within departments of the hospital and wrote a report of the audit.

5. How is it going?

a. 2005: Those who were trained constituted a pool of auditors. They formed audit teams of two or three people and conducted audits within the hospital twice a year.
b. There is an annual meeting for all auditors to exchange experiences and discuss contextual developments.
c. 2007: A second group of auditors was trained in appreciative auditing to expand the pool of auditors.
d. 2009: A third group of auditors has been trained. The Zaans Medical Centre conducts the audit not just in one department, but on an treatment trajectory. The audit becomes bigger and more complex because it follows a patient through the value chain of the hospital. The auditors look at the interdependencies in procedures and therefore specifically address the cross-departmental points of improvement.
e. 2010: They are still working to deepen the skills of the auditors and to contribute to the learning climate within the hospital by the appreciative audits.

6. Results of appreciative auditing

Erwin Steenbergen, quality consultant at the Zaans Medical Centre, and Rob van Haarlem, manager of the Projects and Programming department, both participated in the auditors’ training, and talked about their experiences.

a. Audits experienced as valuable
Within the organization, there was some initial fear of internal audits, in the sense that one acts as a police agent, and people wondered what would be done with the findings. According to van Haarlem, the internal audits are now absolutely ‘alive’ within the Zaans Medical Centre. In planning the audits, one department indicated; ‘Yes please, we actually wanted this earlier to reflect on our goals and procedures’.

According to him, this illustrates the effect of the appreciative audits. The appreciative way in which the internal audits take place allows people to perceive them as fun, safe and meaningful. The importance of experiencing the audit as a moment to stop and reflect on goals – on HOW you are doing your work instead of only looking at WHAT you are doing – is considered valuable.

b. 75% of the findings from the audits are improved
Steenbergen indicates that there is a greater openness and honesty because specific peripheral conditions have been created. The audit reports are
described appreciatively in terms of positive findings, points of improvement and opportunities.

From the department’s improvement plan they discovered that 75% of the established findings from the audit have been dealt with by the department. These are mostly points of improvement that could be realized within the own department. Cross-departmental points of improvement are realized less quickly, because it is less obvious who is responsible for the process and is thus the initiator. They are paying attention to improving this facet of the departmental points by auditing in a cross-departmental way.

c. Learning together and greater understanding
Steenbergen says the appreciative internal audits have generated greater understanding of each other through insights into each other’s qualities and activities. The auditors also learned a lot from the best practices of other departments during the internal audits, to the advantage of their own department. And van Haarlem added: ‘That is what it’s all about: Helping each other to improve and develop’.

Conclusion
Good questions invite people to think and help them reflect on their way of working. It is an excellent method for an auditor to have people think about how they are engaged in their work and what they can do themselves to add improvements. It is important that sufficient appreciative, explorative questions are asked. The art is to create a balance between closed, open and appreciative questions, aimed at both conformities and non-conformities, whereby a ‘yes-and’ attitude adopted by the auditor is absolutely essential. This is because it enables the auditor to be open to what is going well and the possibilities that are there. The auditors’ vision colours their observations: it is good to be aware of this, so that one is capable of executing an appreciative, explorative audit.

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