

# From Audit Findings to Strategic Decisions : The Role of Management Review in Governing Accredited Inspection Bodies

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## ABSTRACT

The ISO/IEC 17020 standard requires accredited inspection bodies (IBs) to conduct management reviews as part of their quality management system (clause 8.5). However, while much research has focused on surveillance (Article 2) and internal audit (Article 4), the management review remains the least explored stage of the continuous improvement cycle. This article addresses the following question : **How does the management review transform audit results and surveillance data into strategic decisions that ensure the sustainability of accreditation ?**

Through a three-year longitudinal study (2023-2025) conducted within BETEC Inspection, an accredited body specialized in product approval, we analyze six management review reports, associated audit reports, surveillance dashboards, and semi-structured interviews with management.

The results reveal a significant evolution in the maturity of management reviews between 2023 and 2025:

- **Input data quality** : from partial and unreliable to comprehensive and verified
- **Nature of decisions** : from operational adjustments to strategic orientations
- **Implementation rate** : from 60% to 90% of decisions effectively executed
- **Impact on subsequent audits** : direct correlation between review decisions and reduction of non-conformities

The article proposes a typology of decisions issued from management reviews (operational, tactical, strategic, organizational), identifies success factors for effective reviews (genuine management commitment, data quality, analytical competence, traceability), and presents an "augmented management review model" integrating multi-criteria analysis, collegial debate, automated monitoring, and indicator feedback loops.

It demonstrates that the management review, far from being a mere administrative formality, constitutes the strategic governance body that closes the quality loop and ensures the long-term performance of accredited inspection bodies.

**Keywords** : Management review, governance, strategic decision-making, ISO/IEC 17020, inspection body, accreditation, continuous improvement, performance indicators, BETEC Inspection.

## INTRODUCTION

### 1. Reminder of the Research Cycle (Articles 1, 2, 3, 4)

The quality management system of accredited inspection bodies, as defined by the ISO/IEC 17020 standard, is built upon several interdependent pillars that we have progressively explored throughout our research cycle.

In our **first article** (Guetarni, 2025a), we examined the fundamental role of accreditation itself, demonstrating how conformity to ISO/IEC 17020 serves as a guarantee of technical competence, impartiality, and reliability for inspection bodies. We established that accreditation is not merely a one-time achievement but requires continuous effort to maintain.

Our **second article** (Guetarni, 2025b) focused on surveillance—the continuous, daily monitoring of inspection activities. We analyzed how surveillance acts as the "operational radar" of inspection bodies, enabling rapid detection of manifest anomalies and immediate corrective action. However, we also identified its limitations: partial detection of non-conformities, superficial root cause analysis, and familiarity biases inherent in hierarchical supervision.

The **third article** (Guetarni, 2025c) addressed the critical role of continuing education in maintaining inspector competence. We demonstrated a high correlation between structured training programs and the reduction of non-conformities, establishing continuing education as an essential lever for sustaining technical excellence.

Our **fourth article** (Guetarni, 2025d) examined the articulation between surveillance and internal audit. Through a three-year longitudinal study at BETEC Inspection, we demonstrated that surveillance and audit form two complementary levels of evaluation: surveillance ensures daily reactivity, while audit provides in-depth diagnosis revealing "silent" non-conformities. We showed that 32% of significant non-conformities were detected only by audit, and that corrective actions based on audit findings were nearly twice as effective as those from surveillance alone.

The Deming Wheel, or Plan-Do-Check-Act (PDCA) cycle, provides the foundational framework for continuous improvement in quality management. Within this cycle:

- Plan corresponds to establishing objectives and processes (accreditation planning)
- Do corresponds to implementing processes (inspection activities)
- Check corresponds to monitoring and measuring processes (surveillance and audit)
- Act corresponds to taking actions to continually improve performance

The management review constitutes the critical "Act" stage—the moment when data collected throughout the cycle is transformed into strategic decisions. It is the governance body where :

- Surveillance results (Paper 2) are analyzed for trends and anomalies
- Audit findings (Paper 4) are examined for systemic implications
- Competence gaps (Paper 3) are addressed through resource allocation
- Accreditation maintenance (Paper 1) is ensured through strategic orientation

Despite its crucial position in the quality management system, the management review remains the least explored stage in both academic literature and professional practice. While much attention has been devoted to surveillance techniques, audit methodologies, and training programs, the decision-making process that transforms these inputs into organizational action has received surprisingly little scrutiny.

Our central research question is thus formulated :

**"How does the management review transform audit results and surveillance data into strategic decisions that ensure the sustainability of accreditation for inspection bodies ?"**

To answer these questions, we formulate the following hypotheses :

- **H** : Management reviews are often reduced to formal compliance exercises rather than being exploited as strategic governance tools.

- The effectiveness of a management review depends primarily on the quality and reliability of input data (indicators, audit reports, customer feedback).

## Theoretical Part

### 1 Detailed Analysis of Clause 8.5 (Requirements)

Clause 8.5 of the ISO/IEC 17020:2012 standard establishes the requirements for management reviews within accredited inspection bodies. This clause, titled "Management review," is positioned within Section 8 "Management system requirements" and represents the culmination of the quality management system's continuous improvement cycle.

The clause begins by stating that the inspection body's top management shall establish procedures to review its management system at least once a year to ensure its continuing suitability, adequacy, and effectiveness. This review shall take into account ten specific categories of information: the results of internal and external audits; the results of surveillance of the inspection activities; feedback from interested parties such as complaints and appeals; the status of preventive and corrective actions; follow-up actions from previous management reviews; changes in the volume and type of work or in the scope of accreditation; the adequacy of policies and procedures; the results of risk identification and management; other relevant factors such as quality control activities, resources and staff training; and recommendations for improvement.

The clause further requires that the findings from the management review and the actions arising shall be recorded, and that the management review shall ensure that the resulting actions are implemented within an appropriate and planned timescale.

Several fundamental principles emerge from this clause. First, the responsibility of top management is clearly established and non-delegable. Second, an annual minimum frequency is mandated, though organizations may choose to conduct reviews more frequently. Third, three distinct dimensions must be evaluated: continuing suitability, adequacy, and effectiveness of the management system.

### 2 Mandatory vs. Recommended Input Elements

The ten input elements listed in clause 8.5.1 represent mandatory information that top management must consider during each review. These elements are not merely suggestions but requirements that must be systematically addressed.

The results of internal and external audits provide evidence of the management system's conformity and effectiveness, revealing both strengths and areas for improvement. The results of surveillance of inspection activities offer insights into the ongoing competence and performance of inspection personnel in their daily work. Feedback from interested parties, particularly complaints and appeals, serves as an early warning system for systemic issues and measures stakeholder satisfaction.

The status of preventive and corrective actions demonstrates the organization's responsiveness to identified problems and its commitment to continuous improvement. Follow-up actions from previous management reviews ensure continuity and prevent the recurrence of unresolved issues. Changes in the volume and type of work or in the scope of accreditation require assessment to determine their impact on resources, competence, and organizational capacity.

The adequacy of policies and procedures must be verified to ensure that documentation remains appropriate for current activities and objectives. The results of risk identification and management provide evidence that the organization is proactively addressing potential threats to quality and impartiality. Other relevant factors, including quality control activities, resources, and staff training, encompass the supporting elements that enable effective inspection work. Finally, recommendations for improvement capture bottom-up suggestions from staff at all levels.

Beyond these mandatory inputs, good practice suggests incorporating additional elements that enrich the review's strategic value. Performance indicators and key performance indicators provide quantifiable measures of process effectiveness. Resource adequacy analysis assesses whether staffing, equipment, and budget are sufficient for current and anticipated activities. Training effectiveness evaluation verifies that investments in continuing education yield tangible results. Equipment calibration status ensures measurement traceability and technical reliability. Supplier performance data helps evaluate subcontractors and critical partners. Market intelligence provides context on competitive positioning and emerging opportunities. Regulatory changes must be monitored to anticipate new compliance requirements.

The distinction between mandatory and recommended inputs is important. While mandatory inputs ensure compliance with the standard, recommended inputs enable organizations to achieve higher levels of maturity and strategic value from their management reviews.

### 3 Output Elements and Expected Traceability

Clause 8.5.2 establishes clear requirements for review outputs. The findings from the management review and the actions arising must be recorded. This documentation requirement serves multiple purposes: it provides evidence of compliance with the standard, creates organizational memory, enables follow-up, and demonstrates due diligence.

The outputs of a management review typically include findings, which are the conclusions drawn from analysis of input data and discussion among participants. They include decisions and actions, which are specific commitments approved by top management to address identified issues or pursue improvement opportunities. They include the designation of responsible persons who are accountable for implementing each action. And they include timeframes that establish planned completion dates for each action.

The concept of traceability is fundamental to effective management review outputs. There should be clear and logical links between input data and the analysis performed, between analysis and the findings formulated, between findings and the decisions taken, between decisions and the actions defined, and between actions and the follow-up conducted at subsequent reviews. This traceability chain demonstrates that the review was thorough, that decisions were evidence-based, and that the organization follows through on its commitments.

Each decision should be assigned to a specific individual with defined authority and responsibility. Vague assignments to departments or teams often result in diffusion of responsibility and non-implementation. Similarly, timeframes should be realistic, specific, and subject to follow-up. Deadlines such as "as soon as possible" or "when resources permit" lack the specificity needed for effective monitoring.

Finally, management review records should indicate that top management has formally approved the review outcomes. This may be evidenced through signatures on meeting minutes, formal approval of the review report, or other means that demonstrate top management engagement.

### 4 Frequency, Participants, and Responsibilities

The ISO/IEC 17020 standard establishes that management reviews shall be conducted at least once a year. This minimum frequency ensures that no more than twelve months pass without strategic oversight of the quality management system. However, several factors may justify more frequent reviews.

Larger and more complex organizations often benefit from quarterly reviews that allow for more responsive management. Organizations operating in rapidly changing environments may need more frequent oversight to adapt to new conditions. High-risk activities may require more frequent monitoring to ensure adequate control. The accreditation cycle, typically spanning twelve to eighteen months, may influence the timing of reviews to prepare for external audits. Significant events such as major non-conformities, serious complaints, or substantial market changes may trigger extraordinary reviews.

In practice, leading inspection bodies often adopt a multi-tiered approach. Quarterly operational reviews focus on tactical issues and short-term performance. Annual strategic reviews provide comprehensive, forward-looking assessment of the entire management system. Ad-hoc reviews are triggered by significant events requiring immediate top management attention.

Regarding participants, clause 8.5.1 explicitly requires the involvement of top management. This is not merely a formality but a substantive requirement reflecting the strategic nature of the review. Top management brings the authority to make decisions, allocate resources, and set strategic direction.

However, effective reviews typically include a broader range of participants. The quality manager usually serves as facilitator and data presenter, responsible for preparing inputs and documenting outputs. Technical managers contribute subject matter expertise on inspection methods and technical issues. Operations managers provide perspective on daily inspection activities and field realities. Human resources managers report on staffing, competence, and training matters. Commercial managers contribute market intelligence and client feedback. Internal auditors may be invited as needed to clarify audit findings.

The distribution of responsibilities throughout the review process is critical to success. Before the review, the quality manager compiles all mandatory inputs, prepares analysis dashboards, and distributes documentation in advance. Process owners prepare input on their areas of responsibility. Top management reviews preliminary documentation and defines strategic focus areas.

During the review, top management leads the discussion, challenges assumptions, and makes final decisions. The quality manager facilitates the meeting, presents data, and records decisions. All participants contribute their expertise, debate findings, and commit to actions arising from the review.

After the review, the quality manager finalizes records, distributes minutes, and tracks action implementation. Action owners execute their assigned responsibilities within established timeframes. Top management monitors progress and ensures resource availability. The subsequent review then examines the status of previous actions as a mandatory input element.

Three key principles emerge from this analysis. First, top management accountability is non-negotiable and cannot be delegated. Second, the review process requires systematic preparation and follow-through, not merely a meeting. Third, effective reviews depend on the active participation of all relevant functions, bringing diverse perspectives to strategic decision-making.

## **Empirical Part**

### **1 Context of BETEC Inspection (Recap)**

BETEC Inspection is an inspection body specialized in product approval for import and export activities. Founded in 2010, the organization currently employs twenty-five inspectors spread across several sites in Algeria. Its activities cover three main sectors: agricultural and food products including cereals, dried vegetables, and fruits; construction materials such as cement, steel, and ceramics; and industrial products including textiles, leathers, and spare parts.

The organization obtained its ALGERAC accreditation on January 24, 2024, under certificate number 02-071, according to the ISO/IEC 17020:2012 standard for type A inspection activities, meaning it operates as a third-party independent body. This accreditation represented a significant milestone in the organization's maturation process and provides the context for our longitudinal study of its quality management practices.

As established in our previous articles, BETEC Inspection has been the subject of continuous observation since 2023, allowing us to document the evolution of its surveillance activities, training programs, and audit practices. This article extends that observation to examine management review processes.

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## 2 Observation Period: 2023-2025

Our study covers three consecutive years, from January 2023 through December 2025. This period was deliberately chosen to capture the evolution of management review practices across three distinct phases of organizational maturity.

The year 2023 represents the pre-accreditation period, during which BETEC Inspection was preparing for its initial accreditation audit. Management reviews during this period, though conducted, were primarily focused on readiness assessment and gap analysis.

The year 2024 marks the post-accreditation period, following the successful accreditation obtained in January 2024. During this year, management reviews began to formalize in accordance with ISO/IEC 17020 requirements, with greater attention to the ten mandatory input elements.

The year 2025 represents the consolidation phase, where management review practices had matured and become integrated into the organization's regular governance rhythm. This three-year timeframe allows us to observe not only the current state of management reviews but also their evolution and the factors that influenced their development.

## 3 Data Sources

Our research draws upon four complementary sources of data, each providing a different perspective on management review practices at BETEC Inspection.

### Management Review Reports

We analyzed all management review reports produced during the 2023-2025 period, totaling six documents. These include two reviews conducted in 2023 during the pre-accreditation phase, two reviews conducted in 2024 following accreditation, and two reviews conducted in 2025 during the consolidation phase. Each report typically contains the agenda, list of participants, input data summaries, discussion notes, findings, decisions taken, and action plans with responsibilities and deadlines.

### Audit Reports

We examined both internal and external audit reports from the same period to understand how audit findings were incorporated into management reviews. Internal audit reports numbered eight in total, as documented in our previous article, while external audit reports included the initial accreditation audit report from ALGERAC and subsequent surveillance audit reports. These documents allowed us to trace how audit findings were presented to management review, discussed, and translated into decisions.

### Surveillance Dashboards

Monthly surveillance dashboards covering the entire three-year period were analyzed to understand the performance indicators available to management during reviews. These dashboards include data on inspection conformity rates, report turnaround times, customer complaints, inspector productivity, equipment availability, and customer satisfaction scores. We examined which of these indicators were actually referenced in management review reports and how they influenced decision-making.

### Semi-Structured Interviews with Management

To complement the documentary analysis, we conducted semi-structured interviews with four members of BETEC Inspection's management team: the General Director, the Quality Manager, the Technical Manager, and the Operations Manager. These interviews explored their perceptions of the management review process, its effectiveness, challenges encountered, and suggestions for improvement. Each interview lasted approximately sixty to ninety minutes and was conducted confidentially to encourage frank responses.

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## 4 Constructed Analysis Grid

To analyze the collected data systematically, we developed a multidimensional analysis grid designed to capture the essential characteristics of each management review and enable comparisons across time. This grid organizes our analysis around several key dimensions.

For input data analysis, we examine which of the ten mandatory input elements required by clause 8.5.1 were actually presented and discussed in each review. We assess the quality and reliability of input data based on completeness, timeliness, and relevance. We also evaluate the relative weight given to different information sources, noting whether certain types of data consistently received more attention than others.

For process analysis, we document who actually participated in each review, distinguishing between those formally invited and those who attended. We record the duration of each review meeting and its frequency relative to the annual minimum requirement. We also observe the facilitation approach and the dynamics of discussion, noting whether the review was characterized by open debate or merely formal presentation.

For output analysis, we identify all decisions taken during each review and classify them according to their nature and strategic level. We track the assignment of responsibilities and the establishment of deadlines. We also examine the follow-up mechanisms in place to ensure implementation.

We also examine subsequent audit results to identify correlations between management review decisions and improvements in audit performance.

## RESULTS

### 1 Analysis of Review Input Data

#### Which Indicators Are Actually Used?

In 2023, reviews focused primarily on readiness indicators: documentation progress, procedure implementation, and accreditation preparedness. Customer feedback and operational performance received less attention.

In 2024 and 2025, all ten mandatory input elements from clause 8.5.1 were systematically addressed. Audit results featured prominently in every review. Surveillance results, particularly inspection conformity rates and report turnaround times, were regularly discussed. Customer complaints were examined with root cause analysis. Risk management results emerged as a significant focus in 2025.

#### Data Quality and Reliability

Data quality improved markedly over the period. In 2023, information was often incomplete or presented verbally without documentation. By 2024, most inputs were supported by documented evidence. In 2025, data was comprehensive, timely, and verifiable, with cross-checks ensuring consistency.

#### Relative Weight of Different Sources

Audit results received the greatest attention throughout the period, dominating discussion when non-conformities were revealed. Customer feedback also received significant attention, particularly when complaint volumes increased. Surveillance results provided operational context but rarely triggered decisions unless trends were adverse.

### 2 Typical Review Process at BETEC

#### Participants

In 2023, participation was limited primarily to the General Director and Quality Manager. In 2024, participation expanded to include Technical Manager and Operations Manager. By 2025, all six members of the extended management team attended regularly, including Commercial Manager. The General Director consistently chaired all reviews.

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## Duration and Frequency

All six reviews met or exceeded the annual minimum frequency. In 2023, two reviews lasted approximately two hours each. In 2024, two reviews lasted three to four hours. In 2025, two reviews lasted four to five hours.

## Facilitation and Dynamics

In 2023, the Quality Manager presented information sequentially with limited discussion. In 2024, a more interactive dynamic emerged with debate on significant issues. In 2025, pre-reading materials were distributed in advance, meeting time was devoted primarily to debate and decision-making, and action plans were developed collaboratively.

## 3 Typology of Decisions Issued from Reviews

Analysis reveals four distinct categories of decisions:

**Operational Decisions** address immediate, short-term issues requiring prompt action. These represented sixty percent of decisions in 2023, decreasing to thirty percent by 2025.

**Tactical Decisions** address medium-term improvements to processes and capabilities. These represented fifty percent of decisions in 2024 and forty percent in 2025.

**Strategic Decisions** address long-term direction and significant resource allocation. These increased from less than ten percent in 2023 to approximately twenty percent in 2025.

**Organizational Decisions** address structure, roles, and responsibilities. These remained infrequent throughout, representing less than ten percent of all decisions.

## 4. Decision Implementation Rate

The percentage of decisions effectively executed improved significantly over the period. In 2023, approximately sixty percent of decisions were fully implemented within planned timeframes. By 2024, this rate increased to seventy-five percent. In 2025, ninety percent of decisions were successfully implemented.

Average implementation timeframes also improved. Operational decisions were typically implemented within days. Tactical decisions required several weeks to months. Strategic decisions took several months to years, with progress reviewed at subsequent meetings.

Obstacles to implementation included resource constraints, competing priorities, and occasionally lack of clarity in decision assignment. These obstacles decreased over time as responsibilities were more clearly defined and follow-up mechanisms strengthened.

## 5 Impact on Subsequent Audit Results

A clear correlation emerged between management review decisions and subsequent audit performance. Following reviews that generated substantial tactical and strategic decisions, internal audit results showed measurable improvement. The number of major non-conformities decreased, and the effectiveness of corrective actions increased.

Post-review indicators demonstrated sustained improvement. Inspection conformity rates continued to rise. Customer complaint volumes decreased. Auditor observations shifted from documentation issues to more nuanced matters of interpretation and continuous improvement.

Reviews that generated primarily operational decisions showed less impact on subsequent audit results, suggesting that tactical and strategic decisions have greater long-term influence on organizational performance.

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## CONCLUSION

This longitudinal study conducted over three years within BETEC Inspection has examined the role of management review as a governance mechanism for accredited inspection bodies, completing our research cycle on accreditation, surveillance, training, and audit.

### Synthesis of Contributions

Our analysis of clause 8.5 of ISO/IEC 17020 has clarified the normative requirements for management reviews, distinguishing between mandatory and recommended inputs, and establishing expected outputs and traceability. The management review is not merely an administrative formality but a strategic requirement demanding genuine top management engagement.

Empirically, we observed significant evolution in management review maturity at BETEC between 2023 and 2025. Input data quality improved markedly, with all ten mandatory elements systematically addressed by 2025. Participation expanded from a restricted core to the full extended management team. Meeting dynamics evolved from passive presentation to active debate and collaborative decision-making.

We identified four decision categories: operational decisions addressing immediate issues decreased from sixty percent of decisions in 2023 to thirty percent in 2025, while strategic decisions addressing long-term direction increased from less than ten percent to approximately twenty percent. Implementation rates improved from sixty percent to ninety percent. A clear correlation emerged between strategic decisions and subsequent audit performance.

### Validation of Hypotheses

Our four hypotheses are confirmed. Management reviews risk becoming mere formalities but can evolve toward strategic governance. Review effectiveness depends primarily on input data quality. Mature reviews produce decisions that improve subsequent audit results.

### Limitations

This study is based on a single organization focused on product approval activities over three years, limiting generalizability. Documentary evidence may not fully capture informal discussions, and researcher presence may have influenced behavior.

### Perspectives

Future research should explore automation and decision support systems, inter-organizational benchmarking, deeper integration with risk management, and cultural factors affecting review effectiveness.

### Concluding Remark

The management review is where data becomes wisdom, where findings become decisions, and where decisions become action. When genuine management commitment combines with quality data and robust process, the review transforms from compliance burden into the organization's most powerful governance mechanism.

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