

SPECIFIC-CASE

WORKSHEET 9 OF 9

Auditor Requests Evidence of Continuous Improvement Programme

Scenario: an external auditor, financial institution, or potential investor has asked for documented evidence of a continuous improvement programme — specifically a problem log, baseline data, and a trend showing improvement over time. The request arrives with a two-week response window. No formal programme currently exists, but improvements have been made informally.



Complementary worksheet for
Lean Operations Principles
by Ibrahim Anwar

What This Is For

A two-week reconstruction and gap-closing worksheet for operators who have been improving operations informally but have never documented it in a format that survives external scrutiny. The auditor's request is not unusual. Any institutional investor, development bank, or certification body conducting operational due diligence will ask for the same seven evidence elements this worksheet maps. The problem is not that the improvements did not happen — they likely did. The problem is that an improvement with no before-and-after measurement, no dated record, and no named responsible person cannot be verified by anyone other than the person who did it.

This worksheet works in two directions: it identifies which elements can be reconstructed from records that already exist (delivery logs, returns files, financial reports) and which elements have no evidentiary basis and must be started fresh. The first category is recoverable in two weeks. The second category cannot be backdated — auditors check dates and will identify manufactured evidence. The worksheet is honest about that distinction.

Benefits

What you get when you actually run this worksheet on a real situation:

- Separates recoverable evidence (reconstructable from existing records) from non-recoverable evidence (must be started from today), preventing wasted effort on evidence that cannot be produced.
- Prioritizes baseline and post-change measurement as the first reconstruction targets, since no improvement is verifiable without a before-and-after pair.
- Converts a one-time auditor response into an ongoing sustaining mechanism by assigning a named person to maintain each evidence element going forward.
- Produces a gap-closure action plan with two-week deadlines, matching the response window the auditor has specified.
- Builds the improvement track record that prevents the same emergency reconstruction from being needed at the next audit.

Framework To Use

— Seven-Element Evidence Audit

Seven rows. Three columns per row that matter: what auditors expect, what you can reconstruct now, and the gap between them. The gap column drives the action plan.

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How To Use

Follow these steps in order. Each one builds on the previous.

- 1 For each of the seven rows, read the 'What auditors expect to see' column first. Do not fill the reconstruction column until you have read the full expectation.
- 2 For each row, search existing records before writing 'no evidence.' Check: delivery logs, order timestamps, returns files, financial reports, email threads, any handwritten notes. Dated evidence from existing documents is valid.
- 3 Fill column three with what you can reconstruct now, with a specific source document and date for each item. If a source document does not exist, leave the column blank and mark Gap = Yes.
- 4 For each Gap = Yes row, write one concrete action in the last column completable within two weeks. Actions that require creating new data that was never collected cannot be completed in two weeks and should not be promised — write 'Start from today' instead.
- 5 Prioritize rows 1–4 (problem log, baseline, action record, post-change measurement) over rows 5–7. Auditors need a before-and-after pair before they can verify any improvement trend.
- 6 For row 5 (trend data): do not reconstruct a 12-month trend from records that were never intended to measure lead time. If consistent measurement does not exist, state the earliest date from which consistent measurement can be demonstrated. Do not extend the trend backward beyond verifiable data.
- 7 After completing the table, assign one person to maintain each element going forward on a monthly basis. This is not optional — converting a one-time response into a sustaining mechanism is the only way to avoid this worksheet becoming necessary again at the next audit.
- 8 When submitting to the auditor, include a one-page cover note describing the methodology used for each reconstructed element: data source, date range, consistency of collection method. Transparency about reconstruction methodology is more credible than a cleanly formatted table without explanation.

Example Use

A 20-person metal fabrication workshop has received a request from a development bank considering a working capital facility. The bank's operations team has asked for evidence of a continuous improvement programme. The owner has two weeks. No formal programme exists, but the owner knows that lead time has dropped and rework has fallen over the past year.

Row 1 — Problem identification log: no formal log exists. However, the owner finds a notebook in the workshop where the floor supervisor has been writing "issues of the day" since March last year. Fourteen months of dated entries. Not a formal kaizen log, but each entry names a problem, an area, and what was done. Reconstructable. Source: floor supervisor's notebook. Gap: No.

Row 2 — Baseline measurement: no formal baseline record. But the owner locates monthly invoice data showing average delivery lead time per customer order (date of order versus date of confirmed delivery). Data exists for 22 months, consistently formatted because the invoicing software records both dates automatically. Lead time calculable retroactively. Reconstructable. Gap: No.

Row 3 — Improvement action record: partially recoverable. Some changes are documented in email threads (a layout change in June, a new standard for weld inspection in September). Others were verbal and have no record. Reconstructable for documented changes. Non-recoverable for verbal ones — note: "Verbal changes from approximately [month] cannot be verified." Gap: Partial.

Row 4 — Post-change measurement: measurable from the same delivery data used in Row 2. Before June layout change: average lead time 8.4 days. After June layout change: 6.1 days (3-month post period). Before/after pair exists. Gap: No.

Row 5 — Trend data: 22 months of consistently formatted delivery lead time data. Sufficient for a trend table. Gap: No.

Row 6 — Sustaining mechanism: no formal weekly audit exists. The supervisor's notebook is informal. Start date: this Monday. Mechanism: weekly 5S audit using the worksheet from Chapter 7. Gap: Yes — action: implement and document from today's date. Do not claim it has been running.

Row 7 — Responsibility assignment: partially documented. The floor supervisor is the de facto owner of several improvement areas but has never been formally named. Action: written assignment letter drafted this week and countersigned. Gap: Yes — action completable in 2 days.

Auditor submission package: 22-month lead time trend table from invoice data, floor supervisor's notebook (14 months of dated entries), email documentation of two formal changes with before/after lead time comparison, honest disclosure that informal improvements without documentation cannot be verified, and the start-date documentation for the new weekly audit and formal responsibility assignment.

The Worksheet

Tear this out, copy it onto a fresh sheet, or fill it in directly.

Auditor Requests Evidence of Continuous Improvement Programme

Scenario: an external auditor, financial institution, or potential investor has asked for documented evidence of a continuous improvement programme — specifically a problem log, baseline data, and a trend showing improvement over time. The request arrives with a two-week response window. No formal programme currently exists, but improvements have been made informally.

EVIDENCE ELEMENT	WHAT AUDITORS EXPECT TO SEE	WHAT YOU CAN RECONSTRUCT OR DOCUMENT NOW	GAP (YES / NO)	ACTION TO CLOSE GAP
Problem identification log	Date, problem description, waste category, root cause			
Baseline measurement	Before-state metric with date and measurement method			
Improvement action record	What was changed, by whom, when implemented			
Post-change measurement	After-state metric with date, same method as baseline			
Trend data (12 months preferred)	Lead time or throughput per month, consistent format			
Sustaining mechanism	Weekly audit, kaizen log, or equivalent recurring check			
Responsibility assignment	Named person accountable for each improvement area			

Reflection Prompts

After filling in the worksheet on the previous page, work through these.

1. For each row marked Gap = Yes: write one concrete action completable within two weeks. Prioritize baseline and post-change measurement first — auditors cannot verify improvement without a before-and-after pair.
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2. After completing this table: which evidence elements can be reconstructed from existing delivery records, returns logs, and financial reports? Start there. Do not create new data that was never recorded — auditors will check dates.
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3. Once evidence is compiled: assign one person to maintain it going forward on a monthly basis. Write their name and the specific metric they will record each month. This converts a one-time response into the sustaining mechanism the next audit will look for.
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Tips and Traps

TIPS

- Search unconventional sources before concluding that evidence does not exist. Supervisor notebooks, WhatsApp group history, monthly invoice timestamps, and purchasing records often contain usable dated data that was never labeled as a measurement.
- When presenting reconstructed evidence, state the reconstruction methodology explicitly. 'Lead time calculated from invoice date versus delivery confirmation date in our billing system' is more credible than a clean table without provenance.
- Treat the sustaining mechanism row as the highest priority among the Gap = Yes items. A one-time evidence response that does not convert into ongoing measurement will produce the same emergency at the next audit in 12–18 months.
- If the two-week window is genuinely insufficient for rows 1–4, request an extension for those rows specifically rather than submitting incomplete or undated evidence. Auditors prefer partial honest evidence over complete suspicious evidence.

TRAPS

- Backdating records. Auditors routinely cross-reference dates against metadata, email timestamps, and third-party records such as supplier invoices. Manufactured dates are detectable and convert a documentation gap into an integrity problem.
- Reconstructing a 12-month trend from data that was only consistently formatted for 3 months, and presenting the full 12 months as if the methodology was consistent throughout. State the date from which consistent measurement begins.
- Treating this worksheet as a one-time exercise rather than as the starting point for the sustaining mechanism. The most common outcome of a successful auditor response is no change in ongoing documentation practice, followed by an identical emergency at the next audit.

Appendixes

Appendix A – Evidence Source Quick-Scan Checklist

Before concluding that evidence does not exist, check each of these:

Delivery and order records:

- Invoices with order date and delivery confirmation date
- Customer receipt confirmations (email, signed delivery notes)
- Shipping system timestamps

Quality and defect records:

- Customer complaints log or returns register
- Rework records (even informal counts in notebooks)
- Supplier rejection logs

Process and improvement records:

- Supervisor or floor notebooks with dated entries
- Email threads referencing process changes
- WhatsApp or messaging group history (check export option)
- Purchase orders for tools or equipment with dates (implies change was made)

Financial records:

- Monthly material cost as % of revenue (signals inventory changes)
- Monthly overtime hours (signals capacity strain or improvement)
- Monthly returns or warranty cost line

HR records:

- Training records or attendance logs
- Staffing change dates (departure, new hire, role change)

Appendix B – One-Page Evidence Submission Cover Note Template

TO: [Auditor name / institution]

FROM: [Your name, position]

RE: Evidence of Continuous Improvement Programme – [Company name]

DATE: [Date]

This package responds to your request for operational improvement evidence.

It contains [N] components:

1. [Component name]: [Source, date range, methodology]

Example: Lead time trend table – reconstructed from invoicing system records (order date vs. delivery confirmation date), covering [month] [year] to present. Measurement consistent from [start date].

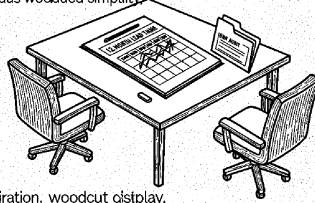
2. [Component name]: [Source, date range, methodology]

Note on reconstruction:

Components 1-[N] are reconstructed from records created in the normal course of business, not prepared for this response. Where a component is unavailable, this is noted explicitly rather than omitted. The sustaining mechanism (Component [N]) has been formalized as of [start date] and will be documented on an ongoing basis from this date.

Contact for questions: [Name, phone, email]

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WHERE THIS WORKSHEET COMES FROM

Lean Operations Principles

Eliminate Waste Before Adding Capacity

by Ibrahim Anwar

This worksheet is one of nine in the *Lean Operations Principles* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

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