Applying Cost of Quality (COQ) To Enhance Your Accounting Systems

Quality Tools & Techniques

Introduction

COQ is an integral part of the business cost which must be captured and quantified as part of the Cost of Product (COP). The competitive price of the COP is influenced by COQ significantly. Our Accounting Systems should be designed to collect COQ data for routine analysis and evaluation of operational performance in order to detect and rectify quality issues within an organization effectively. In another words, COQ must be budgeted, measured and analysed to enable us to take timely action to minimise the Cost of Non-conformance (CONC) in order to maintain the competitive Cost of Product (COP) inclusive of optimal level of Cost of Conformance (COC).

Objectives

(a) To equip the participants with the basic knowledge and skills to interpret and to differentiate Cost of Product (COP) & Cost of Quality (COQ).
(b) To enable the participants to capture and compute the Cost of Quality (COQ) through identification and quantification of Cost of Conformance (COC) & Cost of Non-conformance (CONC).
(c) To quantify the qualitative improvements using COQ Model.
(d) To acquire the method of assessing the effectiveness of the management of quality by use of various COQ Indices.
(d) To review Accounting Reports and assess the impact of COQ on operational performance.

Duration

3 days | 9am – 5pm | 21 hours

Who should attend

This program is designed for Financial Accounting Professionals, QC /QA Manager, Production Manager, Process Engineer or any other personnel who are involved in assessing the effectiveness of a Management System and / or process improvements using various Cost of Quality (COQ) Indices.

Pre-requisite

Basic knowledge of ISO 9001:2015 and product costing is preferred but not essential.

Award of Certificate

Learners are to attempt and pass an assessment on the final day.

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Course Contents

DAY ONE : Cost of Quality – Part 1
- What is Quality?
- What is Cost of Quality?
- What is Cost of Product?
- Definition of Cost of Conformance & Cost of Non-conformance
- Cost of Quality vs Cost of Product
- Key Steps in Setting Up a COQ System
- Cost of Nonconformance Checklist
- Cost of Conformance Checklist
- Common Accounting Basis used for Costing COQ Items
- Basic COQ Documentation Needed
- Benefits of Implementation COQ System
- Work Examples / Group Discussion

DAY Two : Cost of Quality – Part 2
- Illustration of Process Cost Modelling
- Practical diagnosis of an organization
- Identify and classify the major COQ items
- Determine the accounting basis to be used for costing the COQ items
- Quantify the COQ items into monetary unit
- Analyse quality cost and recommend corrective action
- Strategy for process improvement
- Apply the PDCA Methodology to implement COQ Program
- Monitoring and measurement of COQ
- Practical approach in implementing COQ activities in an organization
- Group Exercise & Discussion

DAY Three : Cost of Quality – Part 3
- Identification and Interpretation of ISO 9001:2015 Clauses related to COQ
- Case Study: Review the Accounting Reports and assess the impact of COQ
  on operational performance:
  - Assignment By Group
  - Presentation of Findings
- Revision Exercise & Discussion
- Final Assessment Test (Individual)

Course Fees

Member: S$1,134.00
Non-Member: S$1,188.00
Registration Fee of S$17.28 apply
All fees stated are inclusive of 8% GST

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