



Introduction to Auditing

2015 Safety Groups Advantage Program

WELCOME

- ◆ Emergency
- ◆ Phones
- ◆ Break(s)
- ◆ Questions



OVERVIEW

- ◆ Objective
- ◆ Principles of Auditing
- ◆ Audit Process
- ◆ Audit Review



OBJECTIVE

To provide an introduction to the basic process of conducting an audit of **your** Health and Safety Management System.



HSMS

Health & Safety Management System

The documented process that fully incorporates effective risk management principles into a health and safety program.



AUDITING

The systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which audit criteria are fulfilled.



BASICS YOU MAY ALREADY KNOW

◆ What do you know about auditing?



APPROVED SAFETY GROUP AUDITS

- ◆ WorkWell
- ◆ WSIB HSMS Review Form
- ◆ Certificate of Recognition (COR)
- ◆ CSA Z1000
- ◆ OHSAS 18001
- ◆ ZeroQuest Audit
- ◆ PSHSA Q5 Audit
- ◆ PSHSA HSMS Audit
- ◆ Safe Workplace Ontario Safety Audit



WHY AUDIT?

Provide senior management with objective information on which they can react to improve their health and safety activities



AUDIT OBJECTIVE

- ◆ What you want to achieve with the audit activity such as:
 - Does your HSMS:
 - conform to a management system criteria? and;
 - identify opportunities for improvement to the management system



PRINCIPLES OF AUDITING

◆ Audit Scope

- Extent and boundaries of the audit

Note: The audit scope generally includes a description of the physical locations, organizational units, activities and processes, as well as the time period covered.



PRINCIPLES OF AUDITING

- ◆ Audit Criteria:
 - used as a reference against which audit evidence is measured.
- ◆ Advantage program allows different criteria including:
 - HSMS Review Form, WorkWell, COR, etc., **AND**
 - the firm's health and safety program, policies, procedures and related documents



PRINCIPLES OF AUDITING

◆ Audit Evidence:

- Documents, records, statements of fact (Interviews) and observations relevant to the audit criteria and verifiable.
- Sufficient corroborating evidence, minimum two different sources of evidence



◆ Audit Findings / Conclusions

- Results of the evaluation of the collected audit evidence against audit criteria.

Note: The audit findings can indicate either conformity or nonconformity with audit criteria.

Auditing relies on these principles to make it effective and reliable.

AUDIT FINDINGS

◆ Conformity

- The fulfillment of the audit criteria, which includes:
 - Audit standard
 - Policies, procedures and company practices

◆ Non-conformity

- Non-fulfillment of or deviation from requirements
- Can be major or minor



KEY CONCEPTS – PART 1

◆ What is auditing?

- systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which audit criteria are fulfilled



◆ Why audit?

- Provide senior management with objective information on which they can react to improve their health and safety activities

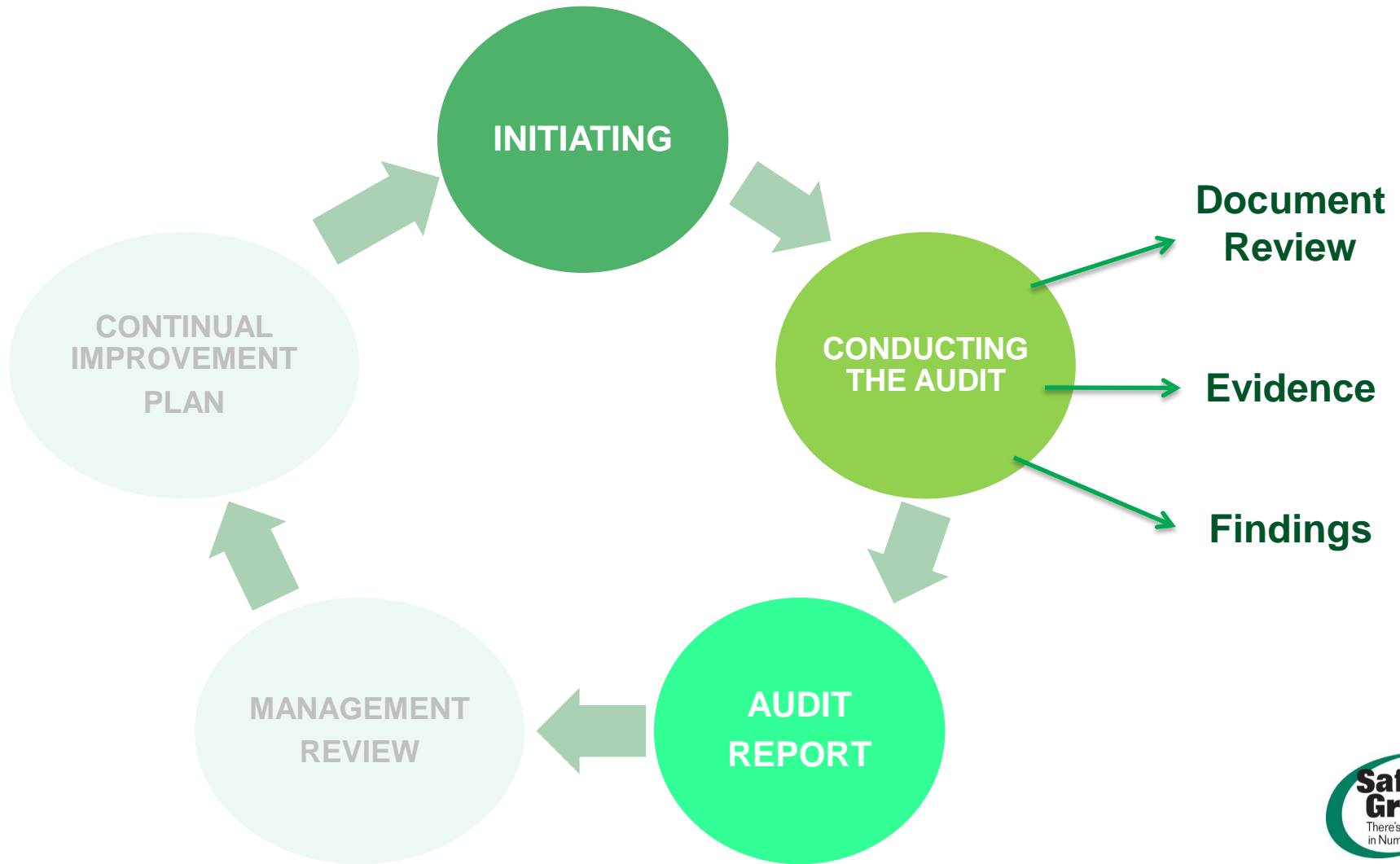
KEY CONCEPTS – PART 2

◆ Auditing Principles

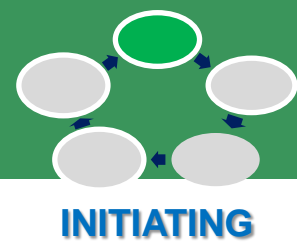
- Scope: extent / boundaries of audit
- Criteria: established requirements against which audit evidence is evaluated
- Evidence: records, statements of fact
- Findings: evidence compared to criteria



AUDIT PROCESS



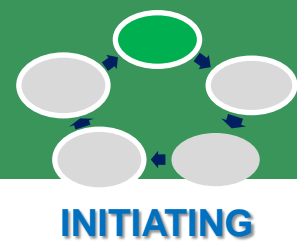
INITIATING THE AUDIT



- ◆ Management assigns qualified auditor(s)
- ◆ Develop an Audit Plan that includes:
 - Objectives
 - Scope
 - Criteria
 - Schedule activities with timelines
- ◆ Communicate audit activity to appropriate workplace parties



THE AUDIT PLAN



Things to consider:

- Time to review documentation
- Time to conduct interviews and observation tours
- Developing a meeting schedule
- Audit team with roles & responsibilities
- What PPE is required?
- Floor plan
- Meeting Space
- Access to documents and records
- Developing audit forms:
 - Interviews
 - Observations
 - Surveys
- List of questions to ask

1. WRITTEN HSMS AUDIT STANDARD (pg 3)

Written Company Standard outlining detailed policy and procedures for your HSMS Audit Program (internal health & safety audit) including, at a minimum:

- a. Current date (2015)
- b. Specific reference to your firm
- c. Roles and responsibilities for....
- d. Auditor(s) qualifications
- e. Development of Audit Plan, including audit criteria, scope, schedule, and timelines
- f. Development of a documented CIP

*Resources /
Tools:*

*Sample of a HSMS
Audit Program
Standard*

*2015 SGAP
Timeline
Guide*

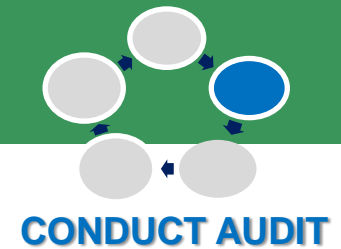


AUDIT PLAN EXERCISE

- ◆ Individually, begin to complete the Audit Plan document for your business



DOCUMENT REVIEW



- ◆ First step in conducting the audit
- ◆ Establishes initial conformity to audit criteria
- ◆ Determines other types of evidence to sample



Mandatory audit requirement



Documents vs. Records

◆ Document:

- May be a policy, procedure, work instruction, form or other document that gives instruction
- It is current, active and changeable

◆ Records:

- Dated, historical and unchangeable
- ◆ An obsolete document may become a record



DOCUMENTS vs. RECORDS

◆ Documents

- Lock out procedure
- Orientation procedure
- Inspection procedure
- PPE procedure
- Violence and Harassment procedure
- Health & Safety policy



◆ Records

- Lock out training records
- Inspection reports
- PPE inspection log
- Investigation reports
- Violence and Harassment Assessment
- Posted H&S policy

AUDIT EVIDENCE



- ◆ Proof to demonstrate requirements have or have not been met

- ◆ Sources of information gathered are grouped by:
 - Documentation
 - Records
 - Observation
 - Interviews

"A proof is a proof. What kind of a proof? It's a proof. A proof is a proof, and when you have a good proof, it's because it's proven." – Jean Chretien

AUDIT EVIDENCE



DOCUMENTATION

- Verify relevant, clear and complete procedures, work instructions, guidelines meet audit criteria



RECORDS

- Demonstrate that requirements of procedures and standards have been met



OBSERVATIONS

- Verify implementation of standards
- Record observations (i.e. workers following rules)



INTERVIEWS

- To verify health & safety program understanding

AUDIT EVIDENCE



- ◆ If all available sources of information are consistent then the information may be considered evidence of conformity.
 - Inconsistent information = nonconformity.

- ◆ Evidence is measured against:
 - selected audit criteria **AND**
 - requirements stated in the employer's standard



- ◆ Review Documents and Records
 - Note details of documents and records reviewed
- ◆ Observations:
 - Note relevant actions that demonstrate conformity or nonconformity
- ◆ Interviews during facility tour and/or the audit
 - Appropriate to the situation and the person
 - Interview people from appropriate levels and functions
 - Use cross-section of the workplace
 - Note evidence of conformity and nonconformity
 - Summarize the results of the interview with the person

AUDIT EVIDENCE

◆ What to observe

- Pre-use inspections
- Housekeeping
- Workers wearing PPE
- Workplace hazards
- Signage / safety postings

◆ Who do you interview?

- Supervisors
- Workers
- Contractors
- Engineers
- JHSC members



- ◆ How much information is enough?
 - Sufficient to demonstrate a consistent pattern of conformance
 - One piece might be enough, for example:
 - ↳ Maybe only one incident occurred so there will only be one investigation report
 - ↳ Observed one failure to use confined space procedure;
 - 10 to 50 pieces may be needed:
 - ↳ Monthly workplace inspections
 - ↳ Pre-shift forklift inspections



AUDIT FINDINGS



- ◆ Evaluate all audit evidence against audit criteria
- ◆ Audit findings indicate if there is a conformity or non-conformity
- ◆ NOTE: any corrective actions to a non-conformity does not change audit findings



AUDIT FINDINGS



◆ Conformity:

- Fulfillment of the audit criteria that includes:
 - Audit standard, policies, procedures and related company practices

◆ Non-conformity:

- Non-fulfillment of, or deviation from, the requirements
- Categorized as major or minor



NON-CONFORMITIES



◆ Major:

- The issue will continue to occur because of how the HSMS and health and safety program are structured
- There is unacceptable risk to a worker's health or safety
- There are serious legal implications, or
- There is an accumulation of related minor non-conformities



NON-CONFORMITIES

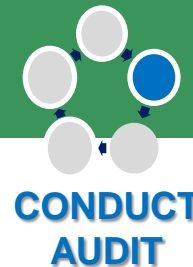
- ◆ Minor:
 - HSMS and H&S program structures are valid, but there's a minor deviation (e.g. human error)
 - There is no unacceptable risk to the worker
 - There are no significant legal implications, and
 - There is not an accumulation of related minor non-conformities
- ◆ SGAP requires your Continuous Improvement Plan (CIP) give priority to high-risk hazards and legal requirements

*I used the wrong form for
the pre-start inspection.
What are you in for?*

*I didn't complete the
health & safety survey.*



AUDIT REVIEW EXERCISE 2



- ◆ In groups conduct a review of the audit criteria against the evidence to determine conformity or non-conformity:
- ◆ Identify the following:
 - Audit lead
 - Scribe
 - Presenter



AUDIT REPORT



- ◆ The audit report is a summary of auditor's findings
- ◆ Completed audit is the most common report submitted for management review
- ◆ Auditor can also create a separate audit report with findings
- ◆ Report must reference evidence that supports the findings of conformity and/or nonconformity for each criteria
- ◆ Indicate any situations encountered that may decrease the reliability of the audit conclusion

AUDIT REPORT



- ◆ Diverging opinions about findings or conclusions should be discussed, resolved if possible, and recorded if not resolved
- ◆ The report must include the date(s) of the audit, report date, auditor(s) name and signature
- ◆ Auditor(s) prepare to present or discuss the audit with the Owner/Senior Management for their review and signature



END OF AUDITOR TRAINING

- ◆ Auditor training is now complete
- ◆ Time allowing....
 - Management Review
 - Continual Improvement Plan

MANAGEMENT REVIEW



- ◆ Owner / senior management review report
- ◆ Ensure the owner / senior management agrees with and understands the audit conclusions
- ◆ A record of the Management Review is required
 - usually a signature
- ◆ Establish timeframe for employer's action plan



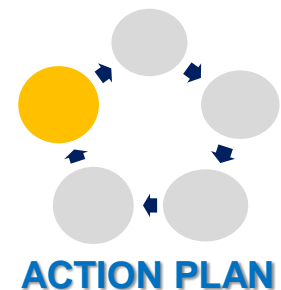
CONTINUAL IMPROVEMENT PLAN

- ◆ Develop an action plan for all non-conformities that includes:
 - How non-conformities will be corrected,
 - Responsibilities assigned and
 - Timelines
- ◆ Plan is developed or reviewed, approved, resourced and initiated by the owner/senior management .
 - Record is required.
- ◆ The auditor(s) may conduct follow-ups to ensure the element is progressing to conformity

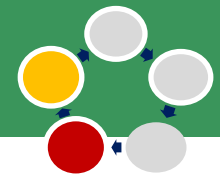


CONTINUAL IMPROVEMENT PLAN

- ◆ When a criteria requirement is met, but may deteriorate into a nonconformity, the audit report may indicate an opportunity to improve.
- ◆ The process of enhancing the HSMS to achieve continual improvement in overall health and safety performance.



CIP EXERCISE 3



**MANAGEMENT
REVIEW &
ACTION PLAN**

- ◆ Choose 2 non-conformities and
- ◆ Develop a Continual Improvement Plan (CIP) of how you will bring items to conformity



5. Continual Improvement Plan (page 5)

5. Develop and implement a documented 2015 HSMS Audit Continual Improvement Plan (CIP) including:
 - 5.1 Detailed and specific action points for:
 - a. All audit findings of non-conformity, and
 - b. All RTW/WR non-conformities, and
 - c. All 2014 Audit/CIP Review (requirement 3) deficiencies
 - 5.2 Priority will be given to non-conformities related to high- risk hazards, and legal requirements
 - 5.3 Detailed action points for each non-conformity are planned to resolution with responsibilities assigned and timelines established
 - 5.4 Senior management must review and approve the documented CIP. Review must be documented.

*Resources
& Tools*

*Samples of
Continual
Improvement
Plans*



5. Continual Improvement Plan (page 5)

5.5 Senior Management must review the progress of the CIP on a quarterly basis until the CIP is completed and all non-conformities are corrected. Quarterly review must be documented.

5.6 The approved CIP must be started no later than December 31, 2015, and all non-conformities and deficiencies must have corrective action points that are initiated within 6 months of the audit being completed.

NOTE: The development of the CIP often includes a firm undertaking a root cause analysis, and other planning activities, to determine the appropriate corrective actions and resources for each non-conformity. While these activities are important, they are not considered starting of the CIP. See example below. Firms have the option to develop an individual CIP for an individual non-conformity to expedite the implementation of corrective actions. Firms are expected to prioritize their non-conformities and start their CIP with corrective action for non-conformities related to high-risk hazards and legal requirements.

*Resources
& Tools*

*Samples of
Continual
Improvement
Plans*



CIP ACTION PLAN EXAMPLE

NON-CONFORMITY	ROOT CAUSE ANALYSIS	ACTION PLAN		START PLAN
Aug. 1, 2015 Audit date	Sep. 15, 2015	Dec. 1, 2015		Dec. 15, 2015
Audit sec. 4.2 f		Activity	Dates	
<p>Worker observed setting-up production line A1 without locking-out equipment.</p>	<p>The Operations Department meet to discuss the non-conformity.</p> <p>The primary reason for failure to lock-out is determined to be faulty equipment design.</p> <p>Corrective measures will require significant capital expense – estimated at \$50,000.</p>	<ol style="list-style-type: none"> 1. Maintenance Supervisor to develop and train staff on interim lock-out procedure until equipment is redesigned. 2. Operations Manager to source and secure three contract bids to re-engineer faulty equipment. 3. Ops Manager and VP Operations review and select successful contract bid. 4. VP Operations secures financing through budget process. 5. Contractor completes work. 6. H&S Manager evaluates for effectiveness. 	<p>Dec. 15, 2015</p> <p>Mar. 1, 2016</p> <p>Mar. 15, 2016</p> <p>Apr. 30, 2016</p> <p>Jul 31, 2016 Aug. 31, 2016</p>	<p>Maintenance Supervisor documents interim lock-out procedure and training of all appropriate staff.</p>

AUDIT PROCESS



Discussion and Questions

