



DNZ

HS15-01 Audit and Assessment

Relating to Standard: HS15 Audit and Assessment

December 2018

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1 Background and Purpose

DNZ strives to continually improve its HSMS and a critical part of this is the assessment of performance related to its objectives and targets. This will be undertaken through health and safety (H&S) audits that will assist with providing assurance to DNZ's Board and Executive Leadership Team (ELT) that it is managing its health and safety risks effectively, and meeting its policy and legislative obligations.

Other H&S performance monitoring may be required where significant risk is associated with tasks or particular workplaces.

2 Scope

This procedure applies to all DNZ divisions and key suppliers who undertake activities on behalf of DNZ.

3 Procedure

3.1 Audit Programme

The following H&S audit programme will be implemented for DNZ based on a 'Tier' system of audit type. The programme will be owned by Group Manager – H&S and their team, who will work with internal stakeholders to ensure the audit programme delivers the necessary assurance to the Board and ELT of the efficacy of the H&S Policy, framework and processes.

Audit	Description & Process	Stakeholders
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Type		
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Tier One	<p>Tier One audits examine DNZ policy and its strategic framework. These shall be undertaken by external assessment bodies and are designed to provide external assurance to our Board and ELT. The completion of these audits will be identified as part of the DNZ Annual H&S Plan. By design these audits will examine the DNZ H&S Policy and framework documentation to determine that the HSMS adequately conforms to known external standards, legislation and good practices.</p> <p>The audits should also include visits to DNZ sites and offices to look for evidence of processes being put into practice. These audits will be undertaken by suitably qualified external providers, the Group Manager – H&S will work with Group Audit and Risk to define and agree the scope and purpose of the audit.</p> <p>These audits will take place at least every three years or early at the request of the Board or Chief Executive.</p>	<p>Board, ELT, Group Audit and Risk, Group H&S Team</p>
Tier Two	<p>Tier Two audits examine Divisional compliance to DNZ internal standards and that the HSMS and procedures deliver these standards. These audits shall be conducted within a sample of the division or suppliers to the division and shall be programmed on a 'Risk' basis.</p> <p>The Tier Two audit programme will ensure all divisions are audited at least every three years depending on the risk profile. This schedule will be determined initially by the Group Manager – Health and Safety for a three-year period, and agreed by the ELT. However, as part of the annual review process the subsequent year's plan may be changed if a division has failed to perform to a satisfactory level. This could result in divisions being audited several years in a row until performance is deemed to be acceptable.</p> <p>As part of these audits worker focus groups will be held to determine the understanding of the H&S programme and also to gauge leadership's commitment and management of H&S within the audited locations(s).</p> <p>The initial work plan will be determined by reviewing all available data to determine the audit programme. This will include (but not be limited to) incident information, previous audit performance and other compliance measures.</p> <p>A Tier Two Audit tool will be developed and managed by Group H&S Team for the completion of these audits.</p> <p>The overall audit performance of the DNZ divisions should be used as a measure for the Board and ELT to monitor performance.</p>	<p>Board, Divisional and Department Managers, Group H&S Team</p>
Tier Three	<p>Tier Three audits address sites and assets, and assess the extent of compliance with the key requirements of DNZ's HSMS, particularly those associated with incident management, emergency planning, supplier management and the management of risk and hazards. Included should also be physical inspections of sites and assets to ensure they are maintained and managed to the level expected within DNZ.</p> <p>These audits shall be conducted at a selection of physical work sites, office buildings or other workplaces with medium to high risk.</p> <p>The schedule for these audits will be developed by the division as part of their annual H&S planning process and with agreement from the Group Manager – H&S.</p> <p>In addition, where an issue is identified as a potential or actual problem at some sites, an audit will be undertaken to assess whether it is a widespread problem, this can be at the discretion of the Group Manager – Health and Safety or the Divisional or Department Manager</p>	<p>Divisional and Department Managers, Group H&S Team</p>

Table 1. Audits Types

3.2 Audit Findings and Reports

Audit	Description
Tier One	The outcome of the audit and its result will depend on the scope of the audit and the organization who is completing it. The expected output from a Tier One audit is a full audit report with recommendations. As this is an assurance exercise on behalf of the Board and Chief Executive the report should be written to the Chief Executive and the nature of the report contained in the terms of reference agreed with the company providing the audit service to DNZ.
Tier Two	<p>The DNZ Audit Tool will provide an evaluation against each standard with the DNZ HSMS. The audit report will provide feedback to the Divisions or the Departments on the strengths and weakness in their processes and will note corrective actions against any findings.</p> <p>Prior to the audit the auditor and the auditee will agree what standards are applicable for the audit, this will generally be all of the base standards however there may be some that are not applicable. An overall rating will be given as a result of the audit and this will be based on the number of standards achieved out of the total number of standards audited.</p> <p>Audit reports shall be provided initially to the auditee to enable any inaccuracies within the report to be amended. Audit reports shall be provided to line managers responsible for close out of the actions.</p> <p>Corrective actions/improvements shall be agreed with the auditee and recorded on the DNZ H&S Corrective Action Register (Synergi) or in a format that clearly details the findings, actions, responsibilities and timescales for improvement implementation.</p>
Tier Three	<p>Audit findings and evidence shall be recorded on audit checklists or equivalent. audit findings are to be categorised as:</p> <ul style="list-style-type: none"> Major Non-Conformance or Dangerous (MC) – High risk and likelihood of an error occurring that may contribute to non-achievement of a control objective. Immediate management action needs to be taken to address the control deficiencies noted. Minor Non-Conformance or Improvement Required (NC) – Moderate risk and likelihood of an error occurring that may contribute to non-achievement of a control objective. Management action is required to ensure a sound control environment. Recommendation or Improvement Required (RC) – Improvement in control that strengthens the compliance process and represents a best practice or efficiency gain. Good Practice (GP) – activities carried out that represent good practices

Table 2. Audit Findings and Reports

The process map below shows the overall audit process across the different stages for each tier.

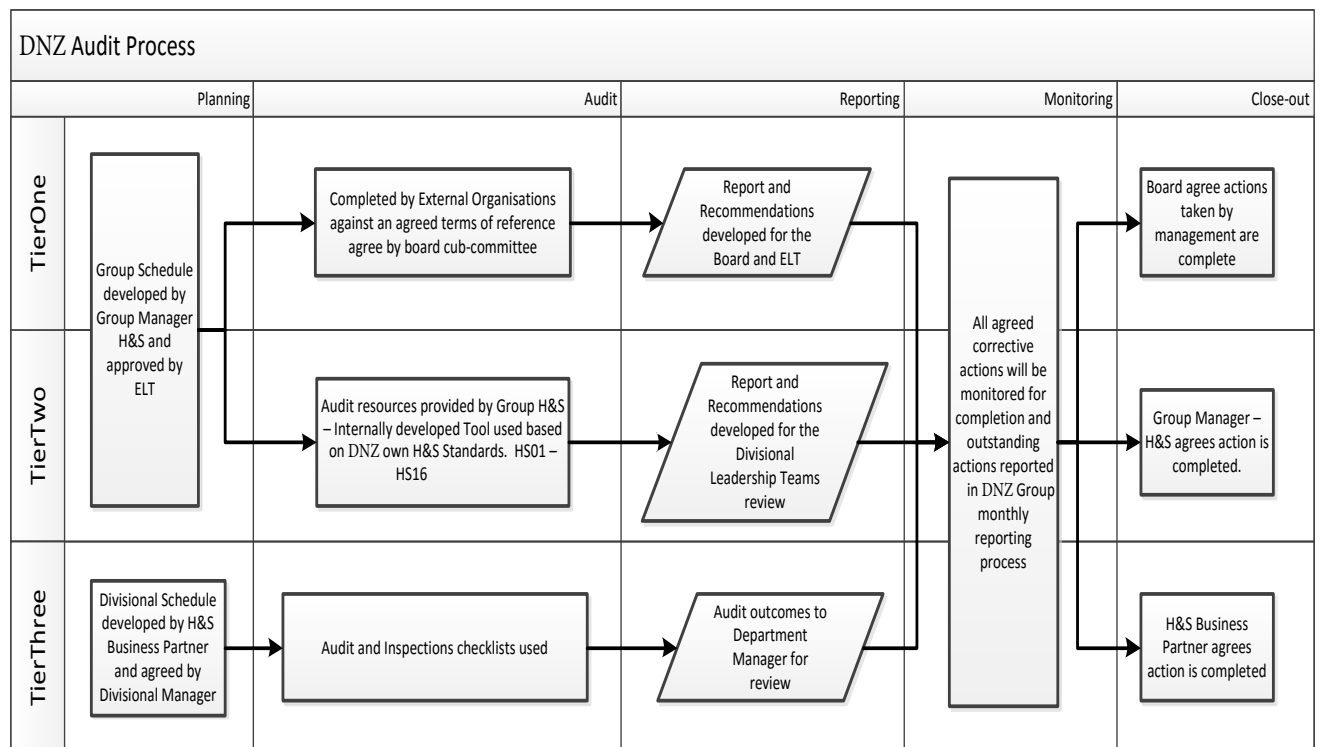


Figure 1. DNZ Audit Process

3.3 Audit Result Reporting and Corrective Actions Tracking

All audit reports shall be provided to line managers responsible for closeout of the actions. A summary of the Tier Two and Three audits shall be provided in the monthly DNZ ELT H&S Management report.

All Tier Three H&S audit reports categorised as “Unsatisfactory” or any findings rated as ‘MC’ shall be provided to the ELT member for their follow-up. In addition, an analysis of all audit findings shall be presented at Divisional senior management meetings.

Actions arising from the audits are to be closed out by the appropriate manager, and this process shall be monitored monthly.

3.4 Auditor Competence

Independent, competent and trained auditors shall conduct H&S audits. In certain circumstances other competent individuals may be used to conduct audits, but only if authorised by the Group Manager – Health and Safety.

4 Responsibilities

Group Manager – Health and Safety

- Developing a tiered audit process and system, and ensuring the process is regularly reviewed.
- Ensure evaluation accounts for compliance with applicable legal, policy and HSMS requirements.
- Ensuring HSMS audits are undertaken annually.
- Supporting the organisation in appointing a competent auditor, both internal and external to undertake audits.
- Supporting and advising management on effective implementation of audit recommendations and outcomes.

- Reporting all audit findings and outcomes to the ELT and Board.
- Track and report against corrective actions from Audits to demonstrate to the Board and ELT that rectification work is completed.

Divisional Managers

- Agree a Tier Two audit schedule with the Group Manager – H&S as part of the Annual planning process
- All managers are aware and understand their responsibility to ensure this procedure is implemented within their area of work or workplace.

Health and Safety Managers

- Work with their Divisional Managers to develop an annual Tier Three audit schedule.
- Select competent auditors to undertake audits within their area of responsibility.
- A process and plan is in place to undertake, review and manage audits and audit recommendations.

Managers

- Participate and co-operate with aspects of the audit and with the auditor.
- Ensure all their employees participate in the process for audits and cooperate with auditors.
- Assist with actioning of any audit recommendations and outcomes.

Workers

- Participating in aspects of the audit process and auditor requirements.
- Assisting management with implementation of any audit recommendations and outcomes.

5 Other Information

- H&S Tier Two Audit Tool (HS15-01-01)
- H&S Definitions (HS01-01-01).
- Full table of Procedures (HS01-01-02).
- Measuring and Monitoring H&S Performance Standard and Procedure (HS16-01).

6 Document Control

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