



# **Industry Guideline for Effective Auditing and Enhanced HSE Performance**

**August 2013**

## © The Australian Pipelines and Gas Association 2016

### **Important note on use of the Industry Guideline for Effective Auditing and Enhanced HSE Performance.**

The Industry Guideline for Effective Auditing and Enhanced HSE Performance has been developed for the use of APGA members and their employees. It has been made available for general use to benefit the wider industry.

The guideline and any surrounding material, are copyright to APGA and APGA must be identified as the copyright owner.

Please contact [apga@apga.org.au](mailto:apga@apga.org.au) for further information.

### **These guidelines are provided on the understanding that:**

The authors, editors and Australian Pipelines and Gas Association Ltd are not responsible in any way for any errors or omissions, nor the result of any actions taken on the basis of information in the guidelines.

The publisher is not engaged in rendering professional services. The publisher, authors and editors expressly deny all and any liability to any person, however these guidelines were obtained by them, in respect of anything done by any such person in reliance, whole or partial, upon the whole or any part of this publication.

The guidelines do not in any way override any State, Territory or Federal safety requirements or regulations.

# Contents

Scope.....	3
Purpose .....	3
References .....	3
Definitions .....	3
2 Guideline synopsis .....	4
3 Integrated audit hierarchy.....	4
3.1 Stakeholder interface.....	4
3.1.1 Quality audit schedule/s .....	5
3.1.2 Audit/s .....	6

## Scope

This guideline identifies the intent of how auditing as a quality or compliance tool can effectively enhance and improved health safety and environmental performance on APGA member activities and operations. The guideline must be considered in conjunction with a member organisation's own auditing obligations, systems and certification requirements, when preparing and conducting audits, and that of other stakeholders who have the requirement or obligation to audit company or projects.

As part of any quality management system, this guideline should be used in conjunction with member organisation's requirements to meet ISO 9001:2008, and those requirements of any other stakeholder whose system is also called into operation.

## Purpose

To define all activities and interfaces that are to be planned and the preparation required to ensure that, audits are performed in an effective and controlled manner on all project and operational activities with a focus on enhancing HSE performance and overall systems management to the benefit of all stakeholder obligations.

## References

### Contributing documentation

ISO 9001:2008 – Quality Management Systems  
ISO 14001: 2004 – Environmental Management Systems  
AS 3806 – Compliance Programs

### APGA Relevant documentation

APGA Code of Environmental Practice

## Definitions

Company	An APGA member organisation.
Project	Activity under the management of an APGA member organisation.
Quality system audit	A systematic and independent examination to determine whether the project quality management system conforms to the planned arrangements, to the requirements of International Standard ISO 9001:2008 and to the quality management system requirements established by CONTRACTOR, and whether they are effectively implemented and maintained.
Auditor (quality)	Any suitably qualified individual who performs any portion of a quality system audit, including audit team leaders, technical specialists and others, such as management representatives, and auditors-in-training, who comprise part of an audit team.
Auditee	The department or individual being audited.
DCG	Document control group
Stakeholder	An organisation (auditor) that has a requirement or obligation to undertake audit/s on a company or project and may include regulator/s, proponents, owners/operators, contractors, subcontractors and their internal or external auditors.

## 2 Guideline synopsis

The term audit covers a multitude of meanings in a project with one broad description being “a systematic check or assessment, especially of the efficiency or effectiveness of an organisation or process, typically carried out by an independent assessor”. Inspections or audits can be applied to many disciplines and aspects of a project ranging from regulatory compliance, safety and environment, through to quality system assurance, engineering assurance, procurement and sub-contractor management and many combinations across project functions.

With increasing owner/operator and regulatory requirement for audits, greater scope and risk allocation to contractors and subcontractors, there is need to assess adequacy of resource allocation to address legitimate questions raised by auditors, particularly by middle and senior management. Much of line management time involves supervisors whom are at the workplace, and among other things, are addressing the very aspects likely to be raised during an audit.

From a safety and environmental perspective, maximum workforce interaction by the supervisor is critical to identify and mitigate hazards be they ongoing or new ones arising. The increasing benefit to supervisors who participate in the audit process, is it has the potential to reduce the number of incidents potentially resulting in injuries, damage or environmental harm.

This being said, while owners and regulators hold the legal right to audit at any time there is a need to reasonably manage audits to limit the impact on all layers of management, particularly supervisors. Audit opportunities where efficiencies can be adopted by projects through integration of regulatory, proponent/owner, or contractors internal and external auditing requirements can be integrated to reduce volume of audits, and increase the effectiveness, efficiencies and quality of audits.

## 3 Integrated audit hierarchy

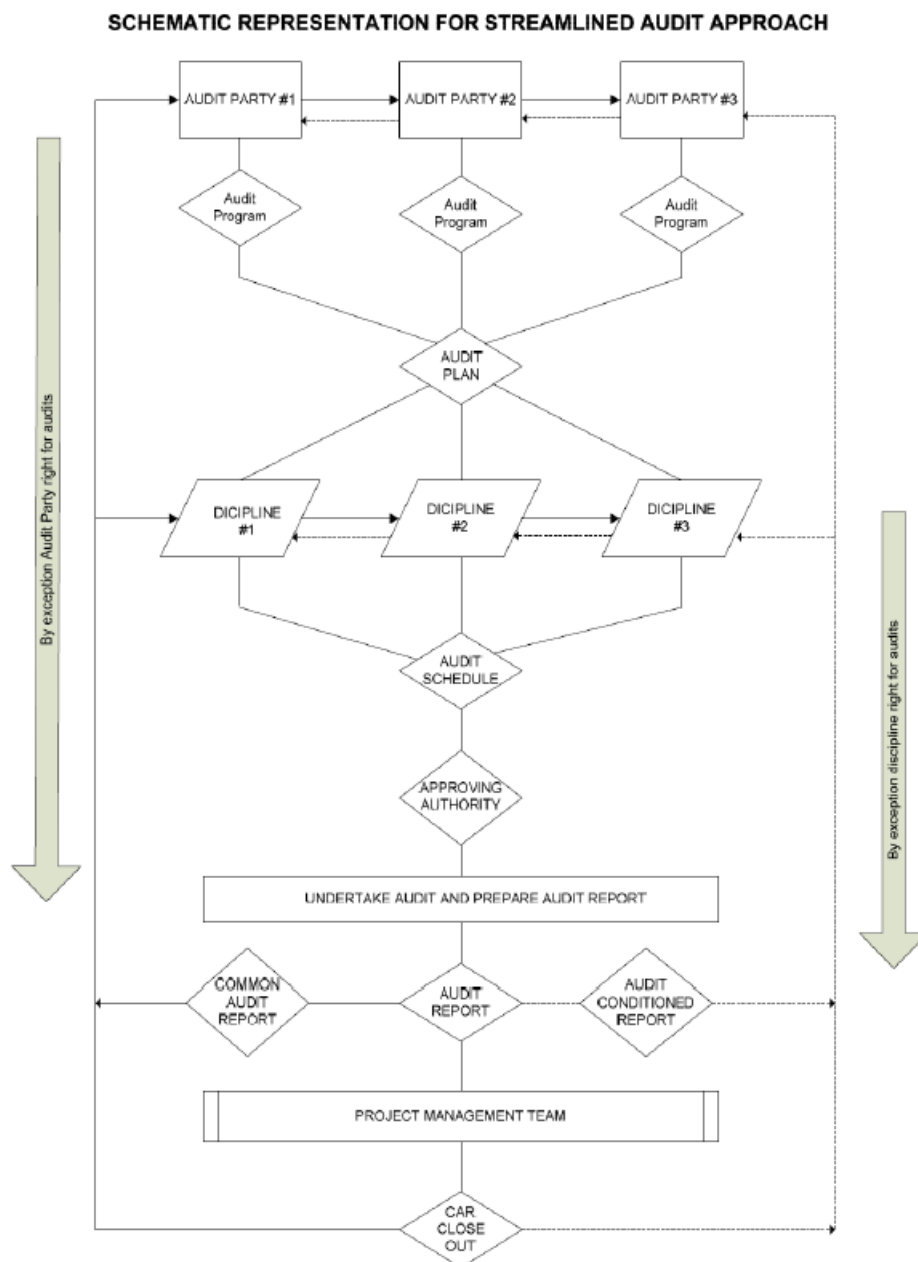
Efficiencies and effectiveness of project wide audits can potentially be achieved through the following strategy:

1. Review of stakeholder requirements, project risk and management systems basis for identifying what is included within an integrated audit schedule.
2. Draft an integrated project audit schedule including all stakeholders audit requirements. This would identify joint or independent audits dependent on stakeholder requirements.
3. Centralised and nominated audit coordinator (quality manager or compliance/systems manager). May be proponent or principle contractor dependent on contract.
4. Planned audits allow stakeholder auditors and auditees to agree to one audit protocol or many, with either one audit report or independent audit reports and actions if non-common subject matter was identified. Planned for in integrated audit schedule.
5. Comprehensive approvals and compliance matrices which cover regulatory requirements, contract obligations and company management system obligations and compliance requirements developed and managed as agreed ‘protocols’ for any or all auditors to follow.

### 3.1 Stakeholder interface

The first critical component of any successful strategy to improve HSE performance and achieve successful auditing outcomes generally, is to ensure complete engagement and interface between all relevant stakeholders who have an interest in auditing a given project or company activity. This means, audit opportunities where efficiencies can be adopted by projects through integration of

regulatory, proponent/owner, and contractor internal and external auditing requirements can possibly be integrated to reduce volume of audits, and increase quality of audits.



### 3.1.1 Quality audit schedule/s

The second critical component of any successful strategy to improve HSE performance and achieve successful auditing outcomes generally, is to ensure a detailed and robust total quality audit schedule. This must include all company areas of activity, management, company department and vendor/subcontractors which or whom may contain an inherent risk to overall company activities if left mismanaged through failure to identify areas of compliance or improvement.

An organisation should not only have a total quality audit schedule, developed based on risk, it must be implemented in full and performance tracked.

Audit schedule should involve all stakeholder involvement and agreement as to the auditing regime, including, general scope, timing, participants and conformance with auditing protocols. An example is provided at Appendix 1, although execution is contingent on stakeholder engagement and support.

### 3.1.2 Audit/s

Audits should be executed within the scope of an organisation's procedures, and could include various types of audits:

- compliance inspections
- internal audits
- external audits
- follow up audits
- spot audits.

Planning and preparation for quality audits must involve all know stakeholders and as part of the audit scheduling and development, should be integrated and managed adequately to meet the objectives of the risk-based audit schedule to meet the needs of the company or project in order to meet mandatory requirements and enhance HSE performance across all company or project disciplines or activities.

Performance of the audits must consider:

- Auditing in accordance with ISO 9001 and other relevant auditing Standards.
- Convening a meeting (opening meeting) with appropriate managers of the auditee.
- Conducting the audit within the agreed scope.
- Conducting an exit (close out) meeting with the auditee's management to summarise results and discuss any non-compliances.
- Issue a draft report and ensure that the findings are understood and accepted.

Corrective actions, whatever terminology which applies to an organisation's auditing system, must consider the nonconformity and the management thereof. Auditees must consider that findings are aimed to identify failings within the system against recorded standards or obligations, improved performance of documented systems, and enhance the HSE performance of all audited systems and personnel.

The quality audit report shall document these positive learnings for action implementation and closure.

All Audit reports, findings and close out must be monitored and tracked by the auditee to assess performance and improvement. The Quality Manager shall be responsible for maintaining the adequate audit records, and each relevant discipline manager or auditee, is responsible to execute the corrective actions in a timely manner, in order to expeditiously effect improvement in the system and for HSE performance including a corrective action notice status log, original copies of quality audit reports, CANs and audit checklists (where applicable).