Principles and Ethics of Auditing

226302001-KM 02 KT 02

QCTO: Occupational Health, Safety Quality Practitioner Qualification – NQF Level 5

ISO NET (Pty) Ltd

Learner Guide

Course Content:

Ethical behaviour

Definition:

Why is ethical behaviour important

Consequences of Unethical behaviour

- Employee Theft
    - Lies and Cheating
    - Bullying and Harassment
    - Health Care and Ethics
    - Personal Consequences

OHS monitoring system relies on ethical behavior to ensure its effectiveness

Safety and Health Management System?

1. Policy and commitment
2. Planning
3. Implementation and operation
4. Measuring performance
5. Auditing and reviewing performance

What issues should a review of the safety and health management system cover?

- A Safety Statement should have a safety and health policy incorporated into it.
- What is this policy?
- What critical safety and health issues should be addressed, and allocated adequate resources, in the safety and health policy?
- Can I get an example of a safety and health policy anywhere?
- What are the responsibilities of management regarding the implementation of safety and health in the organisation?
- How can an organisation control safety and health aspects of contractors' work?
- Effective safety and health management includes effective emergency planning. What should this cover?
- What key questions should an employer ask her/himself to determine the adequacy of safety and health management in the organisation?
- How can the safety and health management system be monitored?
    1. Active monitoring
    2. Reactive monitoring
- Should the management of safety and health be audited in addition to monitoring performance?
- What should be contained in the system audit protocols and procedures?
- What key questions should an employer ask her/himself when measuring, reviewing and auditing their safety and health performance?
- How does the employer train staff to ensure they have the skills, knowledge and attitudes to make them competent in the safety and health aspects of their work?
    1. Organisational needs:
    2. Job-related needs:
    3. Individual needs:
- How does an organisation ensure it has access to sufficient safety and health knowledge, skills and/or experience to identify and manage safety and health risks effectively?
- What is the role of the safety and health advisor?

- What information should be covered in accident and incident reports?
  1. The event:
  2. The potential consequences:
  3. Recommendations:
  4. Learning from and communicating results from investigations
  5. Cautions in using accident and ill health data:

Principles of Auditing
- Intent of auditing
- Management support
- Audit quality
- Auditor principles
- *Ethical conduct*:
- *Fair presentation*:
- *Due professional care*:
- *Independence*:
- *Evidence-based approach*:
- Audit management systems (programmes)
- The Auditor
- What makes a good auditor?
- Knowledge
- Training
- Independence
- Integrity
- Auditor Characteristics
- Desirable characteristics
- Auditor's Conduct
- General
- Projecting the correct image
- The following should be kept in mind!
- Conducting the proceedings properly

Ethical Behaviour

Definition:

Acting in ways consistent with what society and individuals typically think are good values. Ethical behavior tends to be good for business and involves demonstrating respect for key moral principles that include honesty, fairness, equality, dignity, diversity and individual rights.

Why is Ethical Behaviour Important

For citizens, even for those of us with no aspirations in a career in law enforcement, morality and integrity are important characteristics to demonstrate. We instinctively know that it is good to be moral and act with integrity, but by coming to an understanding of the reasons for morality and integrity, we will be motivated to champion such behaviour.

Among the reasons to be moral and integral, regardless of occupation are to:

- Make society better.
- Treat everyone equally.
- Secure meaningful employment.
- Succeed at business.
- Lessen stress.

Consequences of Unethical Behaviour

Ethics is based on the recognition of certain human rights.

- An individual has the right not to be deliberately deceived.
- He has the right not to be forced to go against his conscience.
- He has the right to expect other parties to live up to their commitments and to behave according to the law.
- In the workplace, the employer has the right to expect employees to behave according to company policy.

Employee Theft

Even small unethical behaviors on the part of employees can cost employers a great deal of money because the effects are multiplied. Take the pen and pencil example -- say each costs an employer about one rand. In a company with 100 employees, if each takes home one pen or pencil a week, the company will lose more than R 5,000 a year.

Lies and Cheating

Quality management professionals in any business are particularly susceptible to the issue of falsified data -- a form of lie – according to a 2009 article in "Quality Digest." In addition to quality management professionals, scientists and engineers rely on accurate data to develop new medications or technology and build bridges, freeways or buildings. Researchers who

falsify data may put lives at risk when a scientist relies on that data to develop a new drug or an engineer incorporates inaccurate structural standards into the design of a freeway overpass.

Bullying and Harassment

Unethical behavior such as bullying, harassment and injustice may have both financial and health implications, according to a 2009 article in the "Journal of Business Ethics." The authors report that harassment can affect job satisfaction and organizational commitment, while bullying increases turnover.

This sort of behavior, the authors report, affects perpetrators, victims and witnesses as well as associated persons. For example, if bullying creates high turnover an organization may be less productive, leading stockholders to suffer financial losses.

Health Care and Ethics

In the health-care industry, unethical behavior such as corruption can result in fraud, harm people or even cause death, according to the World Health Organization. WHO reports that as of 2009, as much as 25 percent of public spending -- including pharmaceutical spending -- was lost to corruption.

If medication shipments are diverted or counterfeit and substandard medications are sent instead of the correct product, patients may continue to suffer or die.

Personal Consequences

Unethical behavior at work could have personal consequences. For a start, you could get fired. Some unethical actions are also illegal, and you could be arrested. If employee theft is widespread or significant, you could lose your job because your employer goes under. "Human

Resource Executive Online" reports 30 percent of small businesses fail because of employee theft. If you know someone is behaving unethically, it could make you feel angry, and if you personally are doing something unethical, it could make you feel anxious or guilty and increase your stress level.

OHS monitoring system relies on ethical behavior to ensure its effectiveness

Safety and Health Management System

A safety and health management system means the part of the Organisation's management system which covers:

- the health and safety work organisation and policy in a company
- the planning process for accident and ill health prevention
- the line management responsibilities and
- the practices, procedures and resources for developing and implementing, reviewing and maintaining the occupational safety and health policy.

The system should cover the entire gambit of an employer's occupational health and safety organisation. The key elements of a successful safety and health management system are:

Policy and commitment

The workplace should prepare an occupational safety and health policy programme as part of the preparation of the Safety Statement. Effective safety and health policies should set a clear direction for the organisation to follow. They will contribute to all aspects of business performance as part of a demonstrable commitment to continuous improvement.

Responsibilities to people and the working environment will be met in a way that fulfils the spirit and letter of the law. Cost-effective approaches to preserving and developing human and physical resources will reduce financial losses and liabilities. In a wider context, stakeholders' expectations, whether they are shareholders, employees or their representatives, customers or society at large, can be met.

P**lanning**

The workplace should formulate a plan to fulfil its safety and health policy as set out in the Safety Statement. An effective management structure and arrangements should be put in place for delivering the policy. Safety and health objectives and targets should be set for all managers and employees.

Implementation and operation

For effective implementation, organisations should develop the capabilities and support mechanisms necessary to achieve the safety and health policy, objectives and targets. All staff should be motivated and empowered to work safely and to protect their long-term health, not simply to avoid accidents. These arrangements should be:

- underpinned by effective staff involvement and participation through appropriate consultation, the use of the safety committee where it exists and the safety representation system and,
- sustained by effective communication and the promotion of competence, which allows all employees and their representatives to make a responsible and informed contribution to the safety and health effort.

There should be a planned and systematic approach to implementing the safety and health policy through an effective safety and health management system. The aim is to minimise risks. Risk Assessment methods should be used to determine priorities and set objectives for eliminating hazards and reducing risks.

Wherever possible, risks should be eliminated through the selection and design of facilities, equipment and processes. If risks cannot be eliminated, they should be minimised by the use of physical controls and safe systems of work or, as a last resort, through the provision of PPE. Performance standards should be established and used for measuring achievement. Specific actions to promote a positive safety and health culture should be identified.

There should be a shared common understanding of the organisation's vision, values and beliefs on health and safety. The visible and active leadership of senior managers fosters a positive safety and health culture.

Measuring performance

The organisation should measure, monitor and evaluate safety and health performance. Performance can be measured against agreed standards to reveal when and where improvement is needed.

Active self-monitoring reveals how effectively the safety and health management system is functioning. Self-monitoring looks at both hardware (premises, plant and substances) and software (people, procedures and systems, including individual behaviour and performance).

If controls fail, reactive monitoring should find out why they failed, by investigating the accidents, ill health or incidents, which could have caused harm or loss. The objectives of active and reactive monitoring are:

- to determine the immediate causes of substandard performance
- to identify any underlying causes and implications for the design and operation of the safety and health management system.

Auditing and reviewing performance

The organisation should review and improve its safety and health management system continuously, so that its overall safety and health performance improves constantly. The organisation can learn from relevant experience and apply the lessons.

There should be a systematic review of performance based on data from monitoring and from independent audits of the whole safety and health management system. There should be a strong commitment to continuous improvement involving the development of policies, systems and techniques of risk control. Performance should be assessed by:

- internal reference to key performance indicators
- external comparison with the performance of business competitors and best practice in the organisation's employment sector.

Many companies now report on how well they have performed on worker safety and health in their annual reports and how they have fulfilled their responsibilities with regard to preparing and implementing their Safety Statements.

In addition, employers have greater responsibilities under Section 80 of the 2005 Act on 'Liability of Directors and Officers of Undertakings' that requires them to be in a position to prove they have pro-actively managed the safety and health of their workers. Data from this 'Auditing and reviewing performance' process should be used for these purposes.

What issues should a review of the safety and health management system cover

An organisation should carry out an initial review of the safety and health management system, and follow this up with periodic reviews. The initial review should compare existing safety and health practice with:

- the requirements of safety and health legislation
- the provisions set out in the organisation's Safety Statement
- safety and health guidance in the organisation
- existing authoritative and published safety and health guidance

- best practice in the organisation's employment sector

The following checklist may be used for the review

- Is the Safety Statement clear and concise so that it can be read and understood by those who may be at risk?
- Is the Safety Statement available at the workplace to which it relates and are workers given relevant extracts where they are at specific risk?
- Is the overall safety and health policy of the organisation and the internal structure for implementing it adequate, e.g. are responsibilities of named persons clearly outlined?
- Does the Safety Statement contain a systematic identification of hazards and an assessment of risks for the workplace(s) it covers?
- Are Risk Assessments being carried out on a regular basis as risks change and are the necessary improvements made to keep the safety and health management system up to date?
- Are the necessary safety control measures required for a safe workplace identified and implemented, e.g. the provision of safe access and egress, good housekeeping, clear passageways and internal traffic control?
- Are written safe procedures for those operations that require them available, e.g. for routine processing and ancillary activities, handling and using chemicals, preventive maintenance, plant and equipment breakdown maintenance, accident and ill-health investigations, emergency planning, assessment of personal protective equipment (PPE) requirements?
- Are procedures available for monitoring the implementation of safety systems and control measures, e.g. are safety audits being carried out?
- Is safety and health training being carried out and does the training give adequate information to workers on risks they might be exposed to?
- Is the impact of this training and the level of understanding of the information assessed by anyone?
- Do safety consultation, employee participation and representation procedures exist and are these procedures effective, e.g. is there good co-operation between employer, managers and employees on safety and health issues at the workplace? Is there a safety committee in existence and if so does it comply with the 2005 Act requirements? Are safety committee meetings constructive with meeting reports and follow-up action lists? Is the safety representative or representatives involved at every stage of the safety consultation process?

A Safety Statement should have a safety and health policy incorporated into it.

What is this policy

A safety and health policy is a written document which recognises that safety and health is an integral part of the organisation's business performance. It is a statement by the organisation of it's intentions and approach in relation to it's overall safety and health performance and provides a framework for action, and for the setting of its safety and health objectives and targets.

The safety and health policy must:

- be appropriate to the hazards and risks of the organisation's work activities and include a commitment to protect, so far as is reasonably practicable, its employees and others, such as contractors and members of the public, from safety and health risks associated with its activities.
- include a commitment to comply with relevant safety and health legislation, Codes of Practice and guidelines, as a minimum.
- provide a framework for measuring performance and ensuring continuous improvement by setting, auditing and reviewing safety and health objectives and targets.
- be documented, understood, implemented and maintained at all levels of the organisation.
- clearly place the management of safety and health as a prime responsibility of line management from the most senior executive level to first-line supervisory level.
- cover employee safety and health consultation, safety committee meetings where they exist, worker participation and safety representation and includes a commitment to provide appropriate resources to implement the policy.
- provide for employee co-operation and compliance with safety rules and procedures.

Organisations achieving high standards of safety and health develop policies that recognise the:

- contribution that safety and health can make to business performance by preserving and developing human and physical resources, by reducing costs and liabilities, and by expressing corporate responsibility.
- need for leaders to develop appropriate organisational structures and a culture that supports risk control and secures the full participation of all members of the organisation.
- requirement to resource and plan policy implementation adequately.
- necessity of approaching injury, ill health and loss prevention by systematically identifying hazards, assessing and controlling risks.
- need for the organisation to develop an understanding of risks and risk control and to be responsive to internal and external change.
- requirement to scrutinise and review performance to learn from experience.
- connection between quality, the environment, safety and health, and good management practice.

What critical safety and health issues should be addressed, and allocated adequate resources, in the safety and health policy

Critical safety and health issues, which should be addressed and allocated resources, in the safety and health policy, include the:

- design, provision and maintenance of a safe place of work for all employees
- design, provision and maintenance of safe means of access to and egress from each part of the workplace
- design, provision and maintenance of any article, plant, equipment or machinery for use at work in a safe manner, provision of systems of work that are planned, organised, performed, maintained or revised, so as to be safe, particularly for safety critical process operations or services
- performance of ongoing hazard identification and Risk Assessments, and compliance with the general principles of prevention as set out in the legislation
- provision and maintenance of welfare facilities and PPE
- preparation of emergency plans and the provision of first-aid training

- reporting of accidents and dangerous occurrences to the Authority and their investigation
- provision and dissemination of safety and health information, instruction, training and supervision as required
- operation of safety and health consultation, employee participation and safety representation programmes
- review and keeping up-to-date the safety and health policy in order to prevent adverse effects on the safety and health of employees from changing processes, procedures and conditions in the workplace
- appointment of people responsible for keeping safety and health control systems in place and making them aware of their responsibilities
- establishment of monitoring arrangements, including safety and health inspections and audits, which should be used by the employer to ensure ongoing compliance with legal duties, responsibilities and controls
- development of in-house safety and health competence
- employment of external safety and health experts as required
- use of standards, Codes of Practice, guidelines or industry practices
- co-operation required from employees and disciplinary procedures for non-compliance.

However, this list is not exhaustive and the critical safety and health issues that could be covered by the policy will depend on the risks in the organisation. If the above issues are adequately covered elsewhere in the Safety Statement or in the safety and health management system, they might need only to be referred to in the safety and health policy. Backup documentation may also be referred to in the policy.

Can I get an example of a safety and health policy anywhere

Safety and health policies are specific to each individual organisation The content of the policy of an organisation should be based on the hazards and risks present in the organisation and should reflect the fact that systematic hazard identification and risk assessment have been undertaken.

As a minimum, the policy should contain a commitment that safety and health legislation will be complied with and should specify those responsible for implementing the policy at all levels in the organisation and define their responsibilities. Employees' responsibilities should also be addressed. An organisation's policy declaration may be as follows:

> To all employees:
> As your employer, we are required to comply with all safety and health legislation that applies to this company. With this in mind we have carried out Risk Assessments of all our key operations and processes in all the workplaces we control. We have discussed these Risk Assessments with all relevant employees and worked with the safety committee in preparing this Safety Statement.
>
> This statement sets out the safety and health measures we are implementing to protect everyone who works here.

The Board of ABC Ltd has endorsed this statement and gave me the responsibility to implement it. I am committed to ensuring that the safety and health measures set out in our Safety Statement are met.

John Kelly, Safety and Health Manager, will give advice and information on how to comply with this Safety Statement but everyone, especially if you are in a management or supervisory position, is responsible for ensuring compliance where they work.

We expect all employees to co-operate with us so that we can achieve our target of avoiding accidents. Consultation on safety and health matters, between senior managers and all employees, will be carried out through the safety committee, which you have selected.

You must play your part under the Safety Statement. Comply with all the safety and health rules for your area. Work safely and think of others as you do. Know and understand the Risk Assessments for your area. Report safety and health problems to your supervisor. Know who your safety representative is and contact him or her with any safety and health enquiries you may have.

Signed
Joan McCarthy
Managing Director

_____
DATE

What are the responsibilities of management regarding the implementation of safety and health in the organisation

Responsibility for safety and health management ultimately rests with the employer. This responsibility is normally delegated to executive directors, senior managers, line managers, supervisors and employees. Each person's authority and duties should be clearly defined, documented and communicated to them.

The organisational and reporting structure for implementing these duties should be illustrated in an in-house organisational chart. In addition each director on the organisation's board needs to accept their responsibilities in providing safety and health commitment and leadership by:

- ensuring that each members' actions and decisions at board level always reinforce the message in the organisation's Safety Statement
- preventing a mismatch between individual board members attitudes, behaviour or decisions and the organisation's Safety Statement so as not to undermine workers belief in maintaining good safety and health standards.

Accidents, ill health and incidents are seldom random events. They generally arise from failures of control and involve multiple contributory elements. The immediate cause may be a human or technical failure, but such events usually arise from organisational failings, which are the

responsibility of management. Successful safety and health management systems aim to utilise the strengths of managers and other employees. The organisation needs to understand how human factors affect safety and health performance. Senior executive directors or other senior management controlling body members and executive senior managers are primarily responsible for safety and health management in the organisation.

These people need to ensure that all their decisions reflect their safety and health intentions, as articulated in the Safety Statement, which should cover:

- the appointment of someone at senior management level with executive responsibility, accountability and authority for the development, implementation, periodic review and evaluation of their safety and health management system
- the safety and health ramifications of investment in new plant, premises, processes or products. For example such changes could introduce:
- new materials - are they toxic or flammable, do they pose new risks to employees, neighbours or the public and how will any new risks be controlled?
- new work practices - what are the new risks and are managers and supervisors competent to induct workers in the new practices?
- new people - do they need safety and health training and are they sufficiently competent to do the job safely?
- only engaging contractors to do new or ongoing projects that reinforce rather than damage the organisation's safety and health policies
- recognising their continuing responsibility for safety and health even when work is contracted out
- providing their customers with the necessary safety and health precautions when supplying them with articles, substances or services
- being aware that although safety and health responsibilities can and should be delegated, legal responsibility for safety and health still rests with the employer.

Senior managers responsibilities include:

- preparing safety and health policies and consulting employees, including the safety committee where it exists, and the safety representative, as appropriate
- devising safety and health strategies for key high risks
- setting safety and health objectives and targets for employees
- devising plans to implement the safety and health policy
- ensuring that appropriate organisational structures are in place
- identifying and allocating resources for safety and health
- ensuring that the safety and health policy is effectively implemented and checking whether objectives and targets have been met
- reviewing the effectiveness of the safety and health management system
- implementing any necessary improvements derived from carrying out Risk Assessments
- giving all personnel the authority necessary to carry out individual safety and health responsibilities
- devising appropriate arrangements whereby employees are held accountable for discharging their responsibilities
- establishing clear and unambiguous reporting relationships
- devising job descriptions that include safety and health responsibilities

- incorporating safety and health performance in the appraisal system where personal appraisal systems exist
- developing safety and health cultures in project teams and team working situations.

How can an organisation control safety and health aspects of contractors' work

Although organisations routinely contract out either all or parts of their work activities, they may still retain some of the legal responsibility for health and safety, particularly if they directly control how this work is done. For this reason, the organisation should establish and maintain procedures for controlling the safety and health aspects of contractor work. These should include:

- pre-planning for medium or long-term contracts. This will involve carrying out a full safety and health pre-qualification procedure; for short-term contracts, safety and health aspects should be suitably checked by questionnaire or review
- ensuring the contractor has prepared Risk Assessments and an up-to-date Safety Statement, which are specirfic for the project to be undertaken
- defining responsibility for and setting up communication links between appropriate levels of the organisation and the contractor before work starts and throughout the contract
- who is responsible for developing and providing site safety rules and method statements
- providing safety and health training and induction of contractor personnel, where necessary, before work begins
- monitoring safety and health aspects of contractor activities on site
- establishing procedures for communication of accidents and incidents involving the contractor's personnel

Additionally, it is also necessary for organisations to check the ability of contractors where they work close to, or in collaboration with, direct employees or with other contractor's employees. Such arrangements should cover the:

- recruitment and placement procedures that ensure employees (including managers) have the necessary physical and mental abilities to do their jobs or can acquire them through training and experience. This may require individual fitness assessments by medical examination and tests of physical fitness or aptitudes and abilities where work-associated risks require it
- systems to identify safety and health training needs arising from recruitment, changes in staff, plant, substances, technology, processes or working practices
- training documentation as appropriate to suit the size and activity of the organisation
- refresher training to maintain or enhance competence, to include where necessary contractors' employees, self-employed people or temporary workers who are working in the organisation
- communication systems and resources made available to ensure work is co-ordinated safely and the risk of accidents are minimised
- arrangements to ensure competent cover for staff absences, especially for staff with critical safety and health responsibilities
- general health promotion and surveillance schemes that contribute to the maintenance of general health and fitness; this may include assessments of fitness for work, rehabilitation, job adaptation following injury or ill-health, or a policy on testing employees for drugs or alcohol abuse

Effective safety and health management includes effective emergency planning. What should this cover

The organisation should establish and maintain procedures to respond to accidents and emergency situations, and to prevent and minimise the safety and health impacts associated with them. Emergency planning should cover:

- the development of emergency plans
- the testing and rehearsing of these plans and related equipment, including fire fighting equipment and fire alarms
- training personnel on what to do in the event of an emergency, particularly those people who have to carry out duties (e.g. fire-fighting teams, first- aiders)
- advising people working or living near the installation about what they should do in the event of an emergency
- familiarising the emergency services with the facilities at the organisation so that they know what to expect in the event of an emergency.

The emergency plan itself should include:

- details on the installation, availability and testing of suitable warning and alarm systems
- details of emergency scenarios that might occur, including the means for dealing with these scenarios
- the emergency procedures in the organisation, including the responsibilities of key personnel, procedures for fire-fighting and evacuation of all personnel on site and first-aid requirements
- details of emergency services (e.g. fire brigade, ambulance services, spill clean-up services) and the contact arrangements for these services
- internal and external communications plans
- training plans and testing for effectiveness
- details on the availability of emergency rescue equipment and its maintenance log.

The organisation should periodically test, review and revise its emergency preparedness and response procedures where necessary, in particular after the occurrence of accidents or emergency situations. The emergency plan should dovetail with the Safety Statement as required, need to have emergency plans in place to cover major accidents involving chemicals.

What key questions should an employer ask her/himself to determine the adequacy of safety and health management in the organisation

The following are some key questions for employers to assist in determining the adequacy of their safety and health management in the organisation:

- Does your executive board of directors or senior management team ensure all their decisions reflect the safety and health intentions in your Safety Statement?
- Does your executive board of directors or senior management team recognise the need to involve all staff in issues that affect their safety and health?
- Do your directors and senior managers provide daily safety and health leadership in the organisation?
- Do you have an agreed safety and health policy? Is it written into your Safety Statement?

- Have you allocated responsibilities for safety and health to specific people - are they clear on what they have to do and are they held accountable?
- Is safety and health always considered before any new work is started or work equipment is bought?
- Did you consult and involve your staff and your safety representatives effectively?
- Have you identified the hazards and assessed the risks to your own staff, to others and to the public in the workplaces you control?
- Do you set standards for the premises, plant, substances, procedures and people you control or the products you produce? Are these standards in place and the risks effectively controlled?
- Do you have an emergency plan to deal with serious or imminent danger, e.g. fires, process deviations, gas leaks, the effects of poor weather, floods etc?
- Does your staff have sufficient information about the risks they are exposed to and the preventive measures they must take?
- Do you have the right levels of safety and health expertise? Are your employees properly trained and do they attend the training provided by you?
- Do you need specialist safety and health advice from outside and if so have you arranged to obtain it?
- Does all your staff accept their responsibilities under safety and health law?

How can the safety and health management system be monitored

It should be a line-management responsibility to monitor safety and health performance against predetermined plans and standards. Monitoring reinforces management's commitment to safety and health objectives in general and helps to develop a positive safety and health culture by rewarding positive work done to control risk. Two types of monitoring are required:

1. **Active Systems**, that monitor the design, development, installation and operation of management arrangements, safety systems and workplace precautions.
2. **Reactive Systems**, that monitor accidents, ill health, incidents and other evidence of deficient safety and health performance.

1. Active monitoring

Every organisation should collect information to investigate the causes of substandard performance or conditions adequately. Documented procedures for carrying out these activities on a regular basis for key operations should be established and maintained. The monitoring system should include:

- identification of the appropriate data to be collected and accuracy of the results required
- monitoring of the achievement of specific plans, set performances criteria and objectives
- installation of the requisite monitoring equipment and assessment of its accuracy and reliability
- calibration and regular maintenance of this equipment together with documented records of both the procedures involved and the results obtained
- analysis and records of the monitoring data collected and documented actions to be taken when results breach performance criteria
- evaluation of all the data as part of the safety and health management review
- documented procedures for reviewing the monitoring and safety and health implications of forthcoming changes to work systems.

Techniques that should be used for active measurement of the safety and health management system include:

- systematic inspections of workplace processes or services to monitor specific objectives, e.g. weekly, monthly or quarterly reports
- systematic review of the organisation's Risk Assessments to determine whether they are functioning as intended or need to be updated, and are the necessary improvements being implemented
- plant or machinery inspections, e.g. statutory plant inspections and certification
- environmental sampling for dusts, chemical fumes, noise or biological agents
- analysis of safety and health management system records.

2. Reactive monitoring

A system of internal reporting of all accidents (which includes ill health cases) and incidents of non-compliance with the safety and health management system should be set up so that the experience gained may be used to improve the management system.

The organisation should encourage an open and positive approach to reporting and follow-up and should also put in place a system of ensuring that reporting requirements are met.

The organisation should establish procedures for investigating accidents and incidents to identify their causes, including possible deficiencies in the safety and health management system. Those responsible for investigating accidents, and incidents should be identified and the investigation should include plans for corrective action, which incorporate measures for:

- restoring compliance as quickly as possible
- preventing recurrence
- evaluating and mitigating any adverse safety and health effects
- reviewing the Risk Assessments to which the accident relates
- assessing the effects of the proposed remedial measures.

Should the management of safety and health be audited in addition to monitoring performance

Monitoring provides the information to let the organisation review activities and decide how to improve performance. Auditing and performance review are the final steps in the safety and health management control cycle. They constitute the 'feedback loop' that enables an organisation to reinforce, maintain and develop its ability to reduce risks to the fullest extent and to ensure the continued effectiveness of its safety and health management system.

Audits, by the organisation's own staff or by external bodies, complement monitoring activities by looking to see if the safety and health management systems are actually achieving the right results. Combine the results from measuring performance with information from audits to improve the organisation's overall approach to safety and health management.

The organisation should establish and maintain a programme and procedures for periodic safety and health management system audits to be carried out. This enables a critical appraisal of all the elements of the safety and health management system to be made.

Auditing is the structured process of collecting independent information on the efficiency, effectiveness and reliability of the total safety and health management system and drawing up plans for corrective action. These audits should be carried out in addition to routine monitoring, inspection and surveillance of the safety and health management system.

The purpose of these audits is to ensure the continued suitability, adequacy and effectiveness of the safety and health management system. The audit process should ensure that the necessary information is collected to allow management to carry out this evaluation adequately.

The organisation should establish and maintain audit records consistent with the safety and health management system records. Their retention times should be established and must comply with legal requirements.

Further information on setting up and operating a safety and health management system audit is given in Appendix E of the Authority's Workplace Safety and Health Management.

What should be contained in the system audit protocols and procedures

The protocols and procedures for the audit on the health and safety management system should include the following:

- the allocation of resources to the process
- personnel requirements, including that of the audit team, i.e. competence required for auditors (auditors should have the appropriate training and skills so that they can assess physical, human and other factors and the use of procedures as well as documents or records - wherever possible, auditors should be independent of the activity being audited and include support from a wider range of specialists if necessary)
- the methodologies for conducting and documenting the audits, which may include checklists, questionnaires, interviews, measurement and direct observation
- the procedures for reporting audit findings to those responsible to facilitate timely corrective action and improvement
- a system for auditing and tracking the implementation of audit recommendations to include addressing the possible need for changes to safety and health policy, objectives and other elements of the safety and health management system.

What key questions should an employer ask her/himself when measuring, reviewing and auditing their safety and health performance

The key questions that an employer should ask when measuring, reviewing and auditing their safety and health performance are:

- Do you know how well you perform in safety and health?
- Are your executive board, your directors and senior management team kept informed of your safety and health performance and do you report on this performance in your annual report?
- How do you know if you are meeting your own objectives and standards for safety and health? Are your controls for risks good enough?
- How do you know you are complying with the safety and health laws that affect your business?

- Do your accident or incident investigations get to all the underlying causes - or do they stop when you find the first person that has made a mistake?
- Do you have accurate records of injuries, ill health, bullying complaints and accidental loss?
- Do you report on safety and health failures to your board and your directors?
- How do you learn from your mistakes and your successes?
- Do you carry out safety and health audits at least annually? If you do, what action do you take on audit findings?
- Do the audits involve staff at all levels? Do you involve your safety representative and safety committee, where it exists, in the audits?
- When did you last review your Safety Statement and your safety and health performance?
- Does your executive board of Directors or senior management team review your safety and health performance and ensure safety and health risk management systems are in place and remain effective?
- Has your executive board and your Directors or senior management team appointed someone at Director level to ensure safety and health risk management issues are properly addressed and is this person competent to do so?

How does the employer train staff to ensure they have the skills, knowledge and attitudes to make them competent in the safety and health aspects of their work

There are specific training obligations for employees involved in the safety consultation and safety representation processes. Safety and health training must form part of the training of all people who work at the workplace.

Training helps people acquire the skills, knowledge and attitudes to make them competent in the safety and health aspects of their work. It includes formal off-the-job training, instruction to individuals and groups, and on-the-job coaching and counselling.

However, training is not a substitute for proper risk control, for example to compensate for poorly designed plant or inadequate workstations. The key to effective training is to understand job requirements and individual abilities.

In order to train staff to ensure they obtain the necessary skills, knowledge and attitudes to make them competent in the safety and health aspects of their work, it is important to identify appropriate training objectives and methods by first identifying the training needs. Training needs may be organisational, job-related and individual:

1**. Organisational needs:** Everyone in the organisation should know about the organisation's Safety Statement and the philosophy underlying it and the structure and systems for delivering the policy. Employees should also know which parts of the systems are relevant to them, to understand the major risks in the organisation's activities and how they are controlled.

2. **Job-related needs:** These fall into two main types - management needs and non-management needs.

Management needs include:

- leadership skills

- communication skills
- techniques of safety and health management
- training, instruction, coaching and problem - solving skills relevant to safety and health
- understanding of the risks in a manager's area of responsibility
- knowledge of relevant legislation and appropriate methods of control, including risk assessment
- knowledge of the organisation's planning, measuring, reviewing and auditing arrangements
- awareness of the financial and economic benefits of good safety and health performance.

Non-management needs include:

- an overview of safety and health principles
- detailed knowledge of the safety and health arrangements relevant to an individual's job
- communication and problem-solving skills to encourage effective participation in safety and health activities.

3. **Individual needs:** Individual needs are generally identified through performance appraisal. They may also arise because an individual has not absorbed formal job training or information provided as part of their induction. Training needs vary over time, and assessments should cover:

- induction of new starters, including part-time and temporary workers
- maintaining or updating the performance of established employees, especially if they may be involved in critical emergency procedures
- job changes, promotion or when someone has to deputise
- introduction of new equipment or technology
- follow-up action after an incident investigation.

How does an organisation ensure it has access to sufficient safety and health knowledge, skills and/or experience to identify and manage safety and health risks effectively

Organisations should ensure they have access to sufficient safety and health knowledge, skills or experience to identify and manage safety and health risks effectively, and to set appropriate objectives by:

- training managers to a sufficient level of competence to be able to manage their activities safely and keep up to date with developments in safety and health
- employing appropriate safety and health professionals as part of the management team to advise the organisation on relevant safety and health matters
- acquiring the necessary skills and advice from external providers as required.

Whichever method or combination of these methods is chosen by an organisation it does not relieve the employer and the management of the organisation from their legal responsibilities to ensure a safe workplace.

What is the role of the safety and health advisor

Safety and health advisers should have the status and competence to advise management and employees with authority and independence. By virtue of the definition of 'competent person' must possess sufficient training, experience and knowledge appropriate to the work to be done. They should be capable of advising on:

- formulating and developing safety and health policies, not just for existing activities but also with respect to new acquisitions or processes
- promoting a positive safety and health culture in the organisation and securing the effective implementation of safety and health policy
- planning for safety and health, including the setting of realistic short and long term objectives, deciding priorities and establishing adequate systems and performance standards
- day-to-day implementation and monitoring of policy and plans, including accident and incident investigation, reporting and analysis
- reviewing performance and auditing the whole safety and health management system.

To do this properly, safety and health advisers should:

- be properly trained by reputable organisations or be individuals who are suitably qualified; having membership of recognised professional safety and health bodies such as IOSH or BOHS and having a qualification to at least Diploma level in a recognised third-level safety and health course will offer routes for demonstrating competence
- maintain adequate information systems on topics including safety and health law, safety and health management and technical advances
- demonstrate the ability to interpret the law in the context of the organisation
- be involved in establishing organisational arrangements, systems and risk - control standards relating to hardware and human performance, by advising line management on matters such as legal and technical standards
- establish and maintain procedures for reporting, investigating, recording and analysing accidents and incidents
- establish and maintain procedures, including monitoring and other means such as review and auditing, to ensure that senior managers get a true picture of how well safety and health is being managed (where a benchmarking role may be especially valuable)
- present their advice independently and effectively.

What information should be covered in accident and incident reports

Key information to be covered in accident, ill-health and incident reports include:

1. The event:

- Details of any injured person, including age, sex, experience, training, etc.
- A description of the circumstances, including the place, time of day and conditions.

Details of the event, including:

- any actions which led directly to the event
- the direct causes of any injuries, ill-health or other loss
- the immediate causes of the event
- the underlying causes, e.g. failures in workplace precautions, risk control systems or management arrangements
- Details of the outcomes, including in particular:

  - the nature of the outcome for example, injuries or ill-health to employees or members of the public; damage to property; process disruptions; emissions to the environment; creation of hazards
  - the severity of the harm caused, including injuries, ill-health and losses
  - the immediate management response to the situation and its adequacy, i.e. Was it dealt with promptly?
    Were continuing risks dealt with promptly and adequately? Was the first-aid response adequate?
    Were emergency procedures followed?
  - whether the event was preventable and if so how.

2. The potential consequences:

- What was the worst that could have happened?
- What prevented the worst from happening?
- How often could such an event occur (the '*Recurrence Potential*')?
- What was the worst injury or damage, which could have resulted (the *'Severity Potential'*)?
- How many people could the event have affected (the '*Population Potential*')?

3. Recommendations:

- Prioritised actions with responsibilities and targets for completion
- Whether the risk assessments need to be reviewed and the safety statement updated.

4. Learning from and communicating results from investigations:

The organisation, having learnt from its investigations, should:

- identify root causes in the safety and health and general management of the organisation
- communicate findings and recommendations to all relevant parties
- include relevant findings and recommendations from investigations in the continuing safety and health review process.

5. Cautions in using accident and ill health data:

Accident and ill health data are important, as they are a direct indicator of safety and health performance. However, some cautions relating to their use are:

- most organisations have too few injury accidents or cases of work-related ill health to distinguish real trends from random effects.
- if more work is done by the same number of people in the same time, increased workload alone may account for an increase in accident rates.
- the length of absence from work attributed to injury or work-related ill health may be influenced by factors other than the severity of injury or occupational ill health. Such factors can include poor morale, monotonous work, stressful working conditions, poor management / employee relations and local advice or traditions.
- accidents are often under-reported, and occasionally over-reported. Levels of reporting can change. They can improve as a result of increased workforce awareness and better reporting and recording systems.
- a time delay can occur between safety and health management system failures and harmful effects. Moreover, many occupational diseases have long latent periods. Management should not wait for harm to occur before judging whether safety and health management systems are working.

Principles of Auditing

Intent of auditing

Management should establish an effective and efficient audit process to assess the strengths and weaknesses of the management system.

- The audit process is a management tool for ***independent assessment*** of any designated process or activity. It evaluates the effectiveness and efficiency of the organization, obtaining objective evidence that the existing requirements have been met.
- Management system auditing is also a process whereby organisations can review and ***continuously evaluate*** the effectiveness of their management system.

Management system audits provide a comprehensive and formal assessment of the organisation's conformity to procedures and practices.

- Management system audits should be conducted according to planned arrangements. Additional audits can need to be performed as circumstances require.
- Management system audits should be carried out only by competent, independent, personnel.
- The output of a management system audit should include detailed assessments of the effectiveness of procedures, the level of compliance with procedures and practices, and should, where necessary, identify corrective actions.
- The results of the management system audits should be recorded and reported to management, in a timely manner.
- A review of the results should be carried out by management and effective corrective action taken (where necessary).

Management support

For management systems auditing to be of value, it is necessary that top management are fully committed to the concept of management system auditing and its effective implementation within the organisation.

Top management should consider management system audit findings and recommendations and take appropriate action as necessary, within an appropriate time.

Once it has been agreed that a management system audit should be carried out it should be completed in an impartial way. All relevant personnel should be informed of the purposes of management system auditing and the benefits. Staff should be encouraged to co-operate fully with the auditors and to respond to their questions honestly.

Audit quality

The quality of the audit is directly dependent on the following factors:

- Using competent personnel i.e. people who have been trained in systems auditing techniques and have auditing experience. In summary, a competent auditor is someone who:
  - Has been properly trained
  - Has technical knowledge and skill in the areas being evaluated
  - Knows the intent of the audit question being asked
  - Has proper demeanour to conduct systems audits.

- Using a standardized audit protocol/questionnaire reduces the amount of subjectivity and inconsistency, which so often accompanies audits.

- The answers to audit questions should be obtained from people who are most knowledgeable about what is being assessed. This includes personnel from line management, maintenance, safety, medical, fire, industrial hygiene etc.

- The audit process should have techniques to verify the information presented to ensure it is valid. This is done through record reviews, employee interviews, and condition checks.

- The audit results must be documented to serve as a record for future use and reference.

- An audit is worthless unless something is done with the results obtained. An audit report is the tool, which allows the organization to do something with the audit results. The report should provide feedback to the organization regarding what it is doing properly as well as areas for improvement.

Auditor principles

Auditing is characterized by reliance on a number of principles. These make the audit an effective and reliable tool in support of management policies and controls, providing information on which an organization can act to improve its performance.

Adherence to these principles is a prerequisite for providing audit conclusions that are relevant and sufficient and for enabling auditors working independently from one another to reach similar conclusions in similar circumstances.

The following principles relate to auditors.

Ethical conduct: *the foundation of professionalism*

Trust, integrity, confidentiality and discretion are essential to auditing.

Fair presentation: *the obligation to report truthfully and accurately*

Audit findings, audit conclusions and audit reports reflect truthfully and accurately the audit activities. Significant obstacles encountered during the audit and unresolved diverging opinions between the audit team and the auditee are reported.

Due professional care: *the application of diligence and judgement in auditing*

Auditors exercise care in accordance with the importance of the task they perform and the confidence placed in them by audit clients and other interested parties. Having the necessary competence is an important factor. Further principles relate to the audit, which is by definition independent and systematic.

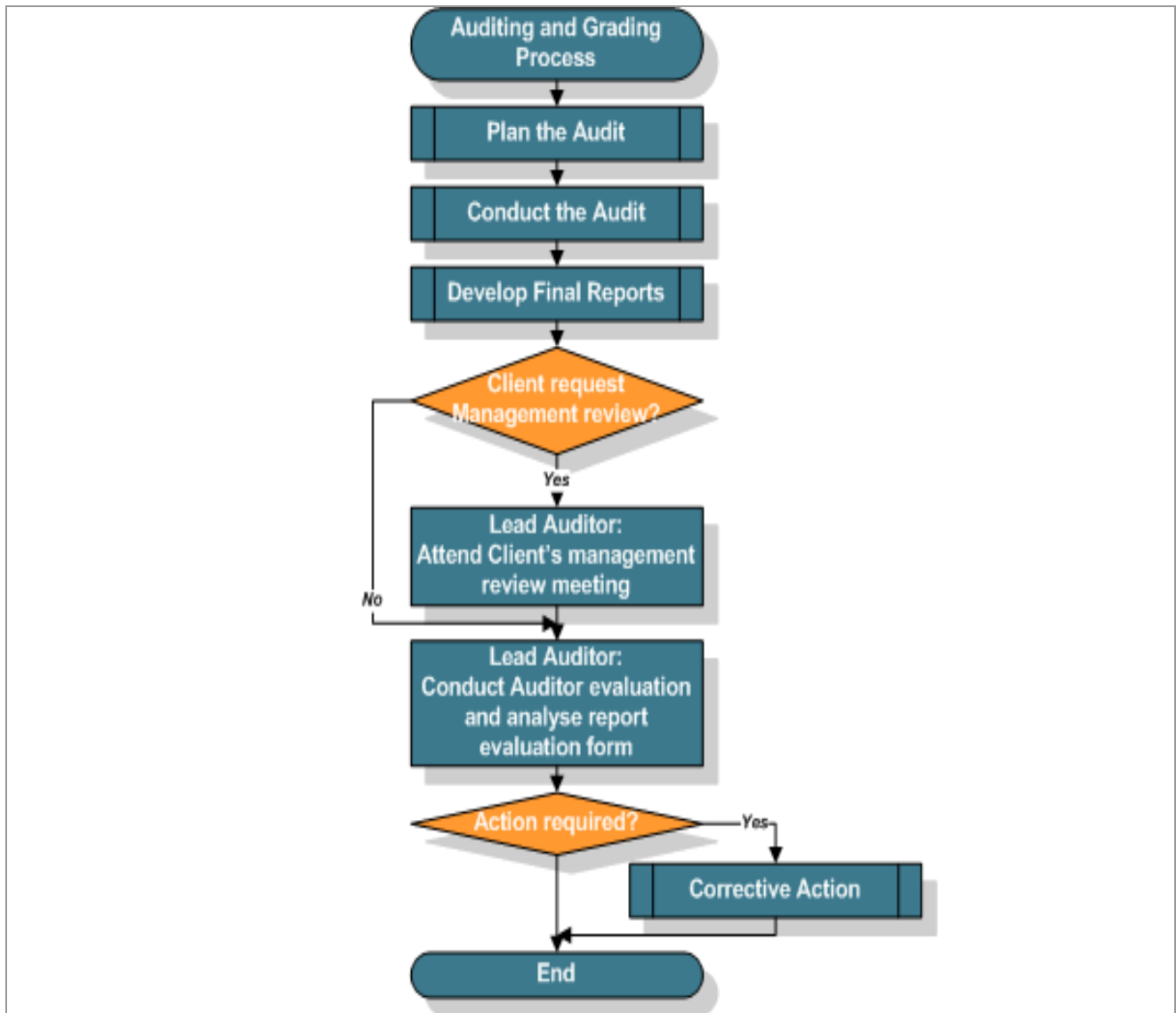***Independence***: *the basis for the impartiality of the audit and objectivity of the audit conclusions*

Auditors are independent of the activity being audited and are free from bias and conflict of interest. Auditors maintain an objective state of mind throughout the audit process to ensure that the audit findings and conclusions will be based only on the audit evidence.

Evidence-based approach: *the rational method for reaching reliable and reproducible audit conclusions in a systematic audit process*

Audit evidence is verifiable. It is based on samples of the information available, since an audit is conducted during a finite period of time and with finite resources. The appropriate use of sampling is closely related to the confidence that can be placed in the audit conclusions.

Audit management systems (programmes)

The Auditor

A company should establish a pool of trained auditors where auditing is not their full time job. Management will listen to them as process experts and hence audits will become value adding information gathering management tools for important decision making.

What makes a good auditor?

- Knowledge

- Training

- Independence

- Integrity

- Auditor characteristics

- Auditors conduct

Knowledge

The auditor must have relevant knowledge of the following subjects, to be able to perform a professional audit:

- The Management criteria applicable to the audit objectives

- Applicable codes and standards

- Management practices of the business

- Contractual and legislative requirements applicable to the audit objectives

- Managerial and work processes that are used

- How to organise him-/herself

- How to audit.

Since neither the lead auditor nor the auditor has detailed knowledge of everything which is required by the audit objective, it is the lead auditor's responsibility to select an audit team ensuring that all required knowledge is available to cover the audit objectives thoroughly.

Training

The auditor must be able to obtain knowledge through training as well as self-enrichment. Technology and management principles are rapidly changing and the auditor is expected to maintain a current knowledge base essential to deal with the audit objectives in a professional manner.

The competence of an auditor is an important factor in determining the cost of an audit. During an audit the auditee usually invests more than the auditor. Poorly conducted audits by auditors without the required knowledge, training and skill will turn the audit into a loss for both parties.

Independence

The auditor should be independent of the area to be audited, except in the case of a self-audit. The audit is to provide an independent and objective view of the subject audited.
This enables the auditee to include the audit results as information and verification from an outsider's point of view into the company's decision-making process.

The habit of policing during the audit only results in the audit being perceived as a witch-hunt and both the auditor and the auditee build up their own walls of defence mechanisms.
The audit process becomes difficult and with little or no value to all the parties involved.
In addition future auditors will have to battle with negative perceptions from the auditee.

Integrity

Whether conducting audits as an internal or external auditor, a prime requisite for both parties is a reputation of integrity. This can only result from demonstrating honesty and demonstrated trustworthiness in protecting the right and confidentiality of data related to the audit.

The success of an audit depends on a free and open exchange of information, if the integrity of an auditor has been scarred, this exchange will not take place.
This loss could even lead to an environment that virtually destroys the effectiveness of many audits to follow.

An organisation with integrity will provide the necessary positive reinforcements to the auditor, to encourage and support the development of his/her personal integrity.

Auditor Characteristics

The following auditor characteristics and abilities should help the manager in the selection of personnel for establishing an auditor pool and the future auditor-to-be in his/her decision to achieve lead auditor status.

Desirable characteristics

- Knowledge of management principles and systems
- Knowledge of the audit techniques
- Sound judgements.
- Patience
- Interests
- Good listener
- Communicates at all levels
- Diplomatic
- Professional
- Good planner.

Auditor's Conduct

General

The behaviour of the auditor is important for the success or failure of the audit.
Expert knowledge is ineffective if not transferred in the right manner.
Walls and mistrust are not removed by sloppiness and unprofessional performance.
The auditor interacts and communicates with the auditee.

The auditor's way of conducting the interviews has an effect on the audit results and credibility left with the auditee
It is important that the auditor consciously behaves as such as to leave the best impression possible with the auditee.

Auditing is about establishing a partnership and good relationship to keep the auditee's interest in the audit process.

Projecting the correct image

The auditor contributes to the success of the audit process by projecting the correct image of him-/herself and the organisation represented.

The following should be kept in mind!

As a representative of an organisation, the auditor should dress as to reflect credit to that organisation. A smart and tidy appearance creates a favourable impression on the auditee and also boosts confidence in one-self.

The auditor should also bring adequate clothing when visiting plant and workshop areas and wear hard hats, safe-ty shoes and other personal protective equipment when mandatory by industrial regulations.

The auditor sets an example to others by the conduct he displays during the audit.
If the auditor allows him-/herself to become emotional or engaged in heated argument, the proceedings are likely to deteriorate fast.

By remaining calm and polite in all situations, the auditor gives him-/herself the best possible chance of obtaining useful results from the management audit. A punctual auditor shows business.

A chronic latecomer irritates everyone and also wastes valuable time. Be precise since loosely phrased questions or requests can cause a lot of confusion and misunderstanding with the auditee.

Failure to do so creates the impression that the auditor is not properly prepared and does not have the necessary knowledge and understanding of the issues to be discussed. A well-prepared auditor will be able to prove that time wastage is not acceptable by dealing with the details, which should have been checked in advance.

He earns the auditee's respect by knowing what needs to be done.
The auditee is then much more prepared to discuss the important points and could provide useful information.

Conducting the proceedings properly

To ensure a conflict-free audit process, the auditor needs to consciously practice the right approach to the audit. The following prescriptions derive from the experience of successful auditors and assist in developing good audit techniques.

The audit must result in a true and fair view (objective) to be regarded as professional.
The auditor should under all circumstances avoid to "turning a mole hill into a mountain".
The magnitude of a deficiency is a vital issue. It should always be put into perspective.
That supports the formulation of the deficiency in such a way that the information becomes constructive and prevents arguments and defensive behaviour by the auditee.

The auditor should keep in mind that he will be in a defensive position under those circumstances too, which could result in the rapid deterioration of the audit process. Some auditee's (especially those with none or bad audit experience) see the audit as punishment or policing from the auditor and react close-up and uncertain.

If the auditor can manage to break the ice, it may help the auditee to relax and open up. The way the auditor discus a deficiency with the auditee, can either diffuse or heat-up the situation.

The auditor's human behaviour helps the auditee to understand the deficiency and as a result the audit provides constructive contributions for improvement and not defensive actions. The auditor should avoid spending too much time in unnecessary or irrelevant conversation. The aim is to look for planned, coordinated procedures that are under-stood and properly applied by the appropriate personnel.

Effective results of all activities should lead to products and services complying with specified requirements with such an approach the auditor demonstrate professionalism. The auditor should maintain knowledge of everyone's position in the auditee's organisation. It is of vital importance to avoid embarrassing mistakes.

At the end of each day, the auditee's representatives should have a brief summary of what has been happening and what is prepared for the next day.
This is a courtesy measure that is always appreciated by the auditee and has the advantage to level the playing field for the next day.

Openness during the audit proceedings eases the auditee's attitude against the audit and establishes the required trust to operate efficiently. It takes the surprise and embarrassment out of the audit process. The auditor should fully comply with the customs of the auditee's organisation.

This entails compliance with working hours, mode of dress, observance of lunch hours and other requirements. The auditor should at all times attempt to blend into the environment in which the audit is conducted.

In addition to interviewing the auditee, the auditor examines products, processes, process material, process records, personnel records and service records to obtain objective evidence that specified requirements are effectively met.

The review of drawings, instructions, specifications, schedules and other documentation to verify the degree of effectiveness of the system audited is also part of collecting objective evidence. Examining of equipment, general facilities and quality conditions are rounding the picture off. The auditor needs to provide objective evidence for the conclusions and decisions.