

# WHS Internal Audit

## Introduction

This document describes the core components of Work Health and Safety (WHS) internal auditing processes for use in verifying the implementation of a Work Health and Safety Management System (WHSMS). It is not intended to mandate what Participating Agencies (hereafter Agency/s) of the Across Government Facilities Management Arrangements (AGFMA) must do, but rather provides best practice guidelines forming part of Agencies overall assurance activities.

A WHS internal audit includes verifying:

- the level of compliance with planned arrangements, for example as stated in WHS documentation;
- whether the WHSMS has been properly implemented and maintained; and
- whether the level of implementation is effective.

The core components of a WHS internal audit process aims to ensure that:

- the audit schedule considers sector and Agency safety priorities;
- nominated workers are competent to undertake WHS internal audits;
- audit scopes are defined and followed;
- audit tools and findings demonstrate the adequacy and effectiveness of the WHSMS policies and procedures;
- audit findings are appropriately recorded and communicated to decision makers; and
- corrective actions are recorded and closed out through effective WHSMS improvements.

## What is a WHS Internal Audit?

WHS internal audit sits within an Agency's risk and assurance framework and encompasses three distinct areas of operation:

### 1. Internal Audits

#### a) Internal WHS systems audits:

- a. Conducted by the Agency according to its plan and schedule and are an objective assessment of the extent to which the Agency's WHS Framework, Policy and Procedures have been implemented.
- b. Conducted by the Agency to determine conformance with AS/NZS ISO or other system standards; and

#### b) Internal Compliance Audits – also conducted by the Agency to assess compliance with WHS Legislation, Codes of Practice and applicable standards.

### 2. External Audits

All Agencies participate in the Audit and Verification Schedule facilitated by Deloitte. This should also verify that the internal audits are a valid assessment of the current status of WHS implementation.

### 3. WHS Inspections

Workplace inspections should be performed at regular intervals depending on the risks of the work and the workplace. Agencies should have well established workplace inspection procedures in place.

These inspections provide an opportunity to regularly review compliance with local safety procedures, asset condition safety, workplace housekeeping and hygiene, etc.

## Preparing for a WHS Internal Audit

An Agency's procedures and processes should outline the steps required to prepare for a WHS internal audit, and should at a minimum:

- define the scope, objectives and benchmarks of the WHS internal audit;
- identify and reference relevant documentation, including preliminary material, on the operation of the Agency;
- identify and allocate the resources required to conduct WHS internal audits; and
- assign timing, schedule and responsibilities for WHS internal audits.

## Developing a WHS Internal Audit plan

A WHS Internal Audit plan will ideally consist of a three year cycle and include an annual WHS audit schedule for the Agency's Designated Locations (auditees). A WHS internal audit schedule should be based on risk (hazard profile, incidents, previous audit results and workplace inspection results) and take into consideration:

- that the nature of information and data collected provides valid and reliable evidence of the systematic approach to managing WHS and risk controls;
- information and data-collection strategies address issues of security, confidentiality, impartiality and equity;
- opportunities for corroborating evidence in information and data-collection strategies;
- consultation and feedback from key personnel and stakeholders;
- modification of the audit plan as a result of feedback from key personnel and stakeholders.

## Audit Methodology

The WHS Internal Audit process should be defined giving consideration to the audit scope, objectives and criteria developed<sup>1</sup>, and should be based on the WHS Policy and/or relevant WHS Procedures being audited. Audit protocols for consideration include:

- Reviewing any previous audit reports for the auditees which relate to the audit scope;
- The date and scope of the audit should be notified in writing to the auditees allowing sufficient time prior to the scheduled audit commencing;
- The auditor should request documents, which are within the audit scope, for review prior to the initial meeting;
- An initial meeting with the auditees management and key personnel should be conducted prior to the audit;
- Who will conduct the audit and whether the audit involves interviews, documentation review and/or physical inspection of Designated Locations as determined from the scope of the audit;
- An audit debrief meeting should be held which provides preliminary findings and the official closing of the audit;
- Both positive observations and opportunities for improvement be identified;
- A draft audit report be prepared by the Lead Auditor utilising an audit report template which outlines non-conformances and recommendations for improvement;
- A draft audit report should be sent to the Manager or Site Representative for review;
- After the consultation period is closed, the final report is sent to the management of the area; and
- Any area which fails an audit should be re-audited within a nominated timeframe of the initial audit. The purpose of a re-audit is to assist the area in implementing and assessing the effectiveness of improvements.

<sup>1</sup> The audit scope, objectives and criteria should be developed by the Lead Auditor in consultation with the Agency.

## *Initial / Opening Audit Meeting*

The purpose of an Initial / Opening audit meeting is to officially commence the audit process and to provide the auditee an opportunity to communicate or clarify any changes or additions to the audit scope. Initial / Opening audit meetings also provide opportunity for the auditee's management or where appropriate, those responsible for the functions or processes to be audited, to gain insight of the specific audit process.

The purpose of an Initial / Opening audit meeting is to:

- Outline a summarised version of how audit activities will be undertaken;
- Identify communication and consultation channels;
- Identify employees to be interviewed;
- Provide an opportunity for the auditee Representative to ask questions;
- Provide auditee Representative/s the opportunity to identify specific tasks or activities to focus on;
- Clarify the process for reporting of hazards identified during the audit; and
- Outline the purpose, scope, methodology, scheduling of any interviews, required documents results, corrective action plan and any other information.

Participants of an Initial / Opening audit meeting typically include:

- Auditors;
- Auditee Representative (Manager / Supervisor);
- Any other key personnel identified by the auditee, including subject matter experts; and
- Auditee WHS Representative/s (if appointed).

## *Gather WHS Information, Data and records*

Auditors should collect information relevant to the objectives and criteria from a representative sample of personnel through observation and discussion with people who implement the system. Only information (including verbal evidence) which is provided at the time of the audit should be included as sufficient evidence to determine conformance to the criteria.

Agency procedures should classify findings using recognised audit terminology such as:

**Conformance** - All elements of the audit criteria are in place and there are no significant open external audit findings.

**Non Conformance** - Major elements are not yet implemented. Significant corrective action is required.

**Opportunity for Improvement** - Not all elements of the criteria are in place. Some non-critical weaknesses are evident which provide an opportunity to improve safety.

## *Report on the Outcomes of the Audit*

Audit results are determined by removing all non-applicable and non-verifiable criteria from the results. The remaining criteria is then assigned a 'conformance' or 'non-conformance' rating based on the compliance shown through the audit. The audit results are then based on the percentage of conforming criteria.

Agencies may include an Audit Closing Meeting in the overall process which can provide an opportunity to:

- Compare results of the evaluation against audit criteria;
- Consult appropriately on evaluation results and develop summary audit findings and recommendations;
- Present summary audit findings and recommendations to key personnel and stakeholders;
- Present objective evidence with clear and concise findings, including benefits to be achieved by adoption of the audit recommendations;

- Anticipate possible challenges to the report and prepare further explanations to promote acceptance; and
- Recommend corrective action and follow-up processes as required.

Audit results, including findings of conformances or non-conformances, must be reported to management and key personnel of the auditee via the final audit report. Audit results should also be communicated and distributed to the Agency’s WHS Committee, Agency Focus Groups (particularly if the scope included AGFMA contracted workers) and Agency Management Review Meetings. Non-conformances and opportunities for improvement should be captured in the Agency’s Corrective Action Register for ongoing monitoring and review of implementation practices.

## Summary of Roles and Responsibilities

Role	Responsibilities
Participating Agency Chief Executive	<ul style="list-style-type: none"> <li>• Endorse the development, implementation and ongoing support of a WHS internal audit process</li> <li>• Participate in the Management Review Process</li> <li>• Ensure staff are competent to perform internal audits</li> </ul>
Participating Agency Managers/Supervisors	<ul style="list-style-type: none"> <li>• Participate in the internal audit process</li> <li>• Provide feedback to Agency Focus Groups</li> </ul>
Facilities Management Service Providers	<ul style="list-style-type: none"> <li>• Participate in the internal audit process as required</li> </ul>
Contracted Workers	<ul style="list-style-type: none"> <li>• Participate in the internal audit process as required</li> </ul>