

1. AUDIT METHODOLOGY

1.1 Introduction

This internal Occupational Health & Safety (OHS) audit methodology provides guidance to internal auditors and auditees on the internal OHS audit process.

The internal audit methodology ensures that OHS Management System (OHSMS) audits are conducted to a consistent standard, allowing verification that the OHSMS:

- complies with planned arrangements;
- has been properly implemented and maintained; and
- is effectively implemented throughout the University of Melbourne.

The internal audit methodology includes:

- Auditor Selection and Competencies
- Audit Frequency
- Audit Schedule
- Audit Scope
- Definitions for Audit Reports
- Audit Process Requirements
- Audit Opening Meetings
- Audit Closing Meetings
- Audit Report Requirements and Template
- Audit Report Distribution

1.2 Auditor Selection and Competencies

The Director, Internal Audit shall ensure that internal auditors are independent of the component of the OHSMS that they are auditing by:

- selecting internal auditors who have not provided OHS services, advice or consultancy to the auditee area for at least two years prior to the commencement of the audit; or
- putting in place suitable arrangements to manage any potential conflicts of interest where internal auditors have provided OHS services, advice or consultancy to the auditee area in the two years prior to the commencement of the audit.

The Director, Internal Audit shall select internal auditors that are sufficiently qualified, competent and experienced to perform OHS audits. Where the internal auditor(s) are not sufficiently qualified, competent and experienced, the internal auditor(s) may be supported by other experts to enable them to perform audits competently.

When determining the suitability of internal auditors the Director, Internal Audit shall take into account the following criteria:

Essential

- relevant tertiary qualifications;
- knowledge of current Victorian Occupational Health & Safety legislation (OHS, Dangerous Goods and Equipment (Public Safety) Acts and regulations);
- successful completion of a recognised OHS auditor training course; and
- one year of recent experience in an OHS role.

Preferable

- five years of work experience with at least three years of experience in an OHS role;
- relevant tertiary qualifications;
- successful completion of a recognised OHS auditor training course;
- knowledge of current Victorian Occupational Health & Safety legislation (OHS, Dangerous Goods and Equipment (Public Safety) Acts and regulations); and
- experience conducting at least four OHS Management Systems audits, totalling not less than 20 days on site, within the last three years, against the NAT, AS/NZS 4801:2001, SafetyMAP or equivalent.

1.3 Audit Frequency

Each Division, Auxiliary Operation and wholly owned subsidiary shall be audited at least once over a four-year cycle.

The Director, Internal Audit, in consultation with the General Manager, OHS, shall assess each Division, Auxiliary Operation and wholly owned subsidiary, and determine a nominal risk classification, based on the known operational risks of the organisation.

Some Divisions may have departments with nominal risk classifications that vary from the overall risk of the Division.

The risk classifications include:

High risk:

Where multiple regulated hazards are present in a significant proportion of the workplace operations, eg. construction work, electrical work, working at heights, hazardous substance, dangerous goods, hazardous building materials, registrable or regulated plant, confined spaces, hazardous manual handling and/or occupational noise.

Moderate risk:

Where only a single regulated hazard is present in a significant proportion of the workplace operations, or where multiple regulated hazards are present, but in less than a significant proportion, of the workplace operations, eg. construction work, electrical work, working at heights, hazardous substance, dangerous goods, hazardous building materials, registrable or regulated plant, confined spaces, hazardous manual handling and/or occupational noise.

Low risk:

Where regulated hazards are generally not present in the workplace operations. This includes office-based administrative operations, and non-laboratory or workshop-based teaching/learning/research operations.

The following table describes the normal frequency of internal audits according to the nominal risk classification:

NOMINAL RISK CLASSIFICATION	NOMINAL AUDIT FREQUENCY
High	2 years
Moderate	3 years
Low	4 years

The Director, Internal Audit, in consultation with the General Manager, OHS, may increase internal audit frequency for any auditee organisation for one or more of the following reasons:

- significant adverse findings resulting from an internal audit;
- significant adverse findings resulting from an external audit;
- significant escalation in claims or incident frequency rate;
- significant escalation in regulatory activity; or
- other information that may indicate the OHS Management System is not performing optimally.

1.4 Audit Schedule

The Director, Internal Audit, in consultation with the General Manager, OHS, shall develop the internal audit schedule. The schedule shall be based on:

- previous audit results;
- the nominal risk classification of the Division or local area; and
- where applicable, any of the reasons for varying audit frequency that are listed in Section 1.3.

1.5 Audit Scope

The Director, Internal Audit, in consultation with the General Manager, OHS, shall provide broad instruction to the internal auditor(s) for each internal audit, by nominating audit workbook subjects to be assessed. Audit workbook subjects include:

- Policy
- Legal Requirements and Practical Guidance
- Management Plans
- Objectives and Targets
- Structure and Responsibility
 - Resources
 - Responsibility and Accountability
 - Training and Competency
- Consultation, Communication and Reporting
 - Consultation
 - Communication
 - Reporting
- Documentation (Policy, Plans Procedures, SOPs, Instructions)
- Document and Data Control
- Risk Management Program and Operational Control
- Risk Management and Control
 - Access Control
 - Workplace Facilities and Amenities
 - Safety Signage
- Hazard Identification, Risk Assessment and Control of Risks
 - Purchasing and Management of Contractors

- Product, Structures and Process Design
- Chemicals, Substances and Waste
- Risk Management
 - High Risk Tasks
 - Personal Protective Equipment
 - Plant and Equipment
 - Materials Transport, Storage and Handling
 - Supervision
 - Supply of Services and Goods to Others
- Emergency Preparedness and Response
- Monitoring and Measurement
 - General
 - Health Surveillance
- OHSMS Nonconformity, Incident Investigation, Corrective and Preventive Action
- Management System Audits
- Records and Records Management
- Management Review.

The internal auditor(s) shall:

- develop an audit plan detailing the criteria to be verified, using the Audit Workbook subjects nominated by the Director, Internal Audit; and
- submit the audit plan to the Director, Internal Audit for approval.

The internal audits shall be undertaken against the criteria of the National Self Insurer's OHS Audit Tool (NAT) and the University of Melbourne's OHS procedures. The scope of the matters assessed shall vary with the type of audited area, as described in the table below:

TYPE OF AUDITED AREA	AUDIT SCOPE
University-wide OHS systems	Policies and procedures to support the conformance to NAT criteria.
Local Division/Department – without University-wide functions	Workplace verification to establish that relevant University procedures are sufficiently implemented to conform to NAT criteria.
Local Division/Department – with University-wide functions	Workplace verification to establish that relevant University procedures are sufficiently implemented to conform to NAT criteria. Policies and procedures to support the conformance to NAT criteria relevant to the Department's University-wide functions.

1.6 Internal OHS Audit Definitions

The following definitions shall be used by internal auditors when assessing and reporting against the internal audit criteria.

Conformance (C):

The auditee has demonstrated:

- full implementation of University procedures, and
- compliance with legal requirements, and
- commitment to the principle of continual improvement.

Based upon the evidence audited is it evident that the auditee is conformant with University and legal

requirements, and is active in implementing additional measures to achieve continual improvement.

Area for Improvement (AFI):

The auditor has provided recommendations that may assist the auditee to achieve continual improvement by:

- ensuring more efficient implementation of University procedures (reductions in time, cost and resources);
- enhancing the transparency of the system to auditors, regulators and the University.

The auditee is conformant with University and legal requirements, and the recommendations are merely the opinion of the auditor. While failure to follow this advice will not in itself lead to Non Conformance, the recommendations are made based on the auditor's experience in reviewing the approach of areas across the entire University.

Requires Correction (RC):

Based on the evidence audited, it is evident that:

- the auditee has not fully, effectively or consistently implemented University procedures, and/or
- there was evidence of isolated instances of apparent legislative non-compliance.

Corrective Action should be undertaken as a priority to prevent the area falling into Non Conformance. The audit itself is a sampling exercise. If the sampling indicates isolated legislative non-compliance, it is likely that a regulator might reveal systematic non-compliance during more focused inspection or intervention.

Further, it is likely that both internal and external auditors will focus on issues identified as RC during subsequent audits. The criterion requiring correction may be linked to or interdependent with other key systems. A failure relating to this criterion may therefore lead to a significant reduction in total system effectiveness, or wider legal non-compliance.

Non Conformance (NC):

The auditor finds evidence that there was:

- an absence of system elements or a part of the system, and/or
- a failure to follow the documented systems or procedures, and/or
- a lapse in the system or procedure, and/or
- apparent systemic legislative non-compliance.

Corrective Action must be undertaken to prevent injury, ensure continued certification and ensure legislative compliance. The Internal Auditor is required to report serious hazards or potentially dangerous occurrences to the Division's senior management, the General Manager, OHS and the Director, Internal Audit. Non conformances are documented on Corrective Action Reports, and remedial action will be confirmed by subsequent verification.

Not Verified (NV):

The auditor cannot confirm implementation of the system because:

- the related activity has not yet occurred, so objective evidence is not available, or
- the criterion, whilst included in the audit scope, was not examined during the audit, or
- evidence could not be provided due to an unforeseen circumstance.

The auditor may not have reviewed key documents, interviewed staff or visited key areas owing to a number of issues including staff absence or time constraints. The criterion remains untested and should be considered for inclusion within the scope of subsequent audits.

Not Applicable (NA):

There is no indication of the related activity having occurred, and therefore the auditee is not required to implement systems to satisfy the specified criterion.

Corrective Action Report (CAR):

A report that documents the reasons for adverse findings (NC and RC), and determines the date on which the corrective actions will be reviewed.

1.7 Internal OHS Audit Process Requirements

The internal OHS auditor shall undertake the internal audit in accordance with the defined scope of AS/NZS 4801:2001 and the National Self Insurer OHS Audit Tool (NAT) v2.0, using the University of Melbourne Internal Audit Workbook, as amended from time to time.

The internal OHS auditor should:

- Conduct an opening meeting with the relevant auditee representatives
- Seek input from a representative sample of stakeholders to review consultative arrangements and the effective implementation of the OHSMS, including:
 - EHS committee members
 - Management representative(s)
 - Employee health and safety representative(s)
 - Other personnel in the area subject to the audit
- Review and assess relevant local workplace documentation, including:
 - OHS Management Plans, Objectives and Targets
 - OHS Risk Register, Risk Assessments and SOPs
 - OHS Training Needs Analysis, Training Plan and Training Records
 - OHS Cyclic Events Checklists and Workplace Inspections
 - Pre purchase risk assessments and purchasing documentation
 - Service provider (contractor) documentation
 - Emergency and First Aid assessments
 - Chemical inventories, risk assessments and MSDS
 - Plant risk assessments, maintenance and inspection records
 - Health and Safety Committee meeting minutes
- Review and assess the implementation of local workplace risk controls, including:
 - Plant
 - Electrical
 - Chemical storage and handling
 - Manual Handling
 - Housekeeping
 - Workplace facilities and amenities
 - Emergency and First Aid equipment and facilities
 - Other relevant risks
- Conduct any other relevant information gathering required to complete the audit.

1.8 Internal OHS Audit Opening Meetings

The Internal Auditor should, where reasonably practicable, commence the audit with an opening meeting with the relevant auditee representatives, addressing the following agenda items:

1. Introduction
2. Explanation of the audit process
3. Confirmation of the audit scope and duration
4. Expected closing meeting time, date and location
5. Other business, including questions.

1.9 Internal OHS Audit Closing Meetings

The Internal Auditor should, where reasonably practicable, conclude the workplace verification component of the audit with a closing meeting with the relevant auditee representatives, addressing the following agenda items:

1. Appreciation of those involved in the audit
2. Brief outline of the findings known to date, that is, areas of:
 - o Good performance
 - o Average performance
 - o Poor performance
3. Explanation of the next stages in the audit process, including some indication of the expected completion of the written report
4. Other business, including questions.

2. REPORTING

2.1 Internal OHS Audit Report Template

The Director, Internal Audit, in consultation with the General Manager, OHS, shall develop and maintain an Internal OHS Audit Report template. The internal OHS auditor(s) shall use the template to report internal OHS audit findings to the auditee.

2.2 Internal OHS Audit Report Distribution

The Director, Internal Audit should provide an Internal OHS Audit Report to the Head of Division four weeks from the Internal Audit closing meeting. The Internal Audit report shall include a Corrective Action Report for each:

- Non Conformance finding
- Requires Correction finding.

The Head of Division shall, within four weeks of receiving the internal audit report, ensure that documented Corrective Action Plans, including prioritisation of planned corrective actions, are developed and provided to the Director, Internal Audit, for each:

- Non Conformance finding
- Requires Correction finding.

The Head of Division shall ensure that the Division's audit reports are tabled at the Division's Health and Safety or Environmental committee meetings, for monitoring of implementation of corrective actions.

The Director, Internal Audit shall report Internal OHS audit results to:

- Occupational Health and Safety Committee
- Risk Management Committee
- Audit and Risk Committee
- Senior Executive.

3. REFERENCES

- [OHS and Environmental Management System Audit \(UOM0366\)](#)
- Other internal OHS audit guidance materials are available from: <http://safety.unimelb.edu.au/tools/audits/>