



# WHS INTERNAL AUDIT PROCEDURE

<b>Version No</b>	2.0
<b>Issued</b>	23 <sup>rd</sup> Aug 2016
<b>Next Review</b>	August 2019
<b>GDS</b>	12.63.1

## 1. OVERVIEW

The District Council of Orroroo Carrieton (Council) is committed to conducting internal audits to assess how effectively the Work Health and Safety (WHS) management system elements combine together to manage the risks associated with the Council's business and its suitability in achieving the requirements of our WHS policy and objectives.

This Procedure aims to enable Council to achieve an effective internal audit system, encompassing the following requirements:

- (a) Compliance with Return to Work SA (RTWSA) Performance Standards for Self Insurers (PSSI) and LGAWCS requirements for audit.
- (b) The performance of programmed internal audits by objective and competent personnel.
- (c) Continuous improvement of the WHS management system.

SIGNED .....

Chief Executive Officer

Date: 23 / 8 / 2016

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Deputy Chairperson, WHS Committee

Date: 23 / 8 / 2016

## 2. CORE COMPONENTS

The core components of our WHS Internal Audit Procedure aim to ensure that:

- (a) An internal audit schedule is developed and implemented;
- (b) Nominated workers are competent through training to audit to the appropriate level;
- (c) Internal audit findings demonstrate the degree of effectiveness of the WHS management system;
- (d) Internal audit findings are recorded and communicated to the workgroup and management; and
- (e) Records demonstrate that corrective actions are recorded and closed out through effective WHS management system improvements.

## 3. DEFINITIONS

Audit	A systematic examination against defined criteria to determine whether activities and related results conform to planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve the organisation's policy and objectives
Audit Criteria	Policies, procedures or requirements which are used as a reference against which audit evidence is compared
Audit Evidence	Records, statement of fact or other information, which are relevant to the audit criteria and are verifiable
Audit Plan	Description of the activities and arrangements for an audit
Competent Person	A person who has acquired through training, qualification or experience the knowledge and skills to carry out the task.
Conformance	Activities undertaken and results achieved fulfil the specified requirements of the elements
Corrective Action	Action taken after the event to correct any problem and make sure that a repetition does not occur
Health and Safety Committee (HSC)	The Health and Safety Committee is established to facilitate co-operation between the person conducting a business or undertaking and workers in instigating, developing and carrying out measures designed to ensure the workers' health and safety at work
HSR	Health and Safety Representative

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Non-Conformance	Activities undertaken and the results achieved do not fulfil the specified requirements of the elements. This may be due to the absence or inadequate implementation of a system or documented systems or procedures not being followed
Observation	Activities undertaken and results achieved fulfil the specified requirements of the elements however an opportunity for improvement exists due to minor deficiencies identified
Performance Indicator	A means to measure conformance with arrangements detailed in WHS procedures
Preventative Action	Involves taking steps to prevent non-conformances or issues occurring
PSSI	Performance Standards for Self Insurers
Recognised Auditor Training	An auditor training course covering the nationally recognised modules under BSB51607 provided by a Registered Training Organisation (RTO) or competency based training delivered by a competent person, that includes the following as a minimum: <ul style="list-style-type: none"> <li>Setting the audit scope and objective</li> <li>Defining communication processes</li> <li>Development of audit plans, schedules and tools</li> <li>Collection and evaluation of evidence</li> <li>Reporting structure, reporting templates and</li> <li>Delivering audit findings</li> </ul> <i>This is in line with components of the Nationally Recognised Training modules for (BSB51607) Diploma of Quality Auditing.</i>
Register (Hazard / Risk /Corrective Action)	A record of hazards identified throughout an organisation, the level of risk associated with each one and the control measures in place to eliminate or manage the risks they present. Where gaps in control measures have been identified, the register records the corrective actions needed and the person responsible for implementing them. It also records the residual risk rating for each hazard on the register. This register may be a hazard register, a risk register, a corrective action register or a combination of all three.
WHS Management System	Includes Council's structure, policies, planning activities, resourcing, operating procedures and work practices

## 4. PROCEDURE

### 4.1. Audit schedule

- 4.1.1. The Manager of Corporate & Community Services will publish an annual audit schedule, which must reflect:
  - a) The frequency of internal audits to be conducted;
  - b) The scope of each internal audit and
  - c) The WHS auditor selected and assigned to each audit.
- 4.1.2. Audit frequency and scope will be determined by:
  - a) The level of risk associated with the particular activity, process or WHS policy/ procedure to be audited;
  - b) The results of previous audits; and
  - c) The management team or LGAWCS direction.
- 4.1.3. Audits conducted by external agencies or certification bodies should be reflected in the audit schedule.
- 4.1.4. Injury management audits should be included on the schedule.
- 4.1.5. The HSC and management team must be consulted on the content of the audit schedule prior to its implementation.
- 4.1.6. The audit schedule must be available on the Council's intranet or otherwise made available to internal auditors, management and workers and other relevant stakeholders.

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## 4.2. Unscheduled Audits

4.2.1. Unscheduled audits may be conducted at any time based on:

- a) The findings of inspections, reports or outcomes of accident/incident investigations;
- b) Operational changes;
- c) External advice;
- d) As a result of management team or LGAWCS direction; or
- e) As a result of any other activity that may identify non-conformance.

4.2.2. Unscheduled audits should be recorded on the audit schedule as soon as they are planned.

## 4.3. Selection of auditors

4.3.1. The Manager of Corporate & Community Services must select and authorise an internal auditor for each scheduled internal audit. Minimum standards for internal auditor selection include:

- a) Successful completion of recognised auditor training *and/or*
- b) Relevant knowledge and experience of the WHS requirements associated with the process or activity being audited, and
- c) Training in the Council's internal WHS audit procedure, and
- d) Independence from the activity or process being audited.

4.3.2. If an internal auditor is unable to demonstrate completion of auditor training, the audit must be conducted under the supervision of an auditor who has fulfilled the training requirements.

4.3.3. Any external auditor engaged by Council must demonstrate a relevant audit qualification from a registered training organisation prior to engagement.

4.3.4. If more than one auditor is involved in an internal audit, the Manager of Corporate & Community Services must appoint a lead auditor.

## 4.4. Pre-audit activities

4.4.1. The Manager of Corporate & Community Services must notify the internal auditor of scheduled audits in advance of the audit commencement date.

4.4.2. The Manager of Corporate & Community Services, in consultation with the internal auditor(s), must develop an audit checklist relevant to the scope of the selected audit.

The audit checklist must include measures of compliance and should fully test the adequacy and effectiveness of the procedure being audited.

4.4.3. Prior to the audit commencing, the internal auditor(s) should:

- a) Collate and review information pertinent to the audit, which may include policies, procedures, work instructions, legislative requirements relevant to the particular audit topic, previous audit findings or reports, external information such as regulator fact sheets, manufacturer information and industry statistics;
- b) Prepare an audit plan;
- c) Determine audit methodology having regard to the scope of the audit;
- d) Identify workers to be interviewed during the audit; and
- e) Confirm the audit scope, plan and selected auditees with the relevant department manager or supervisor.

## 4.5. Conduct the audit

4.5.1. An opening meeting should be held by the internal auditor(s) to reinforce the scope of the audit. The meeting may be conducted with the manager or supervisor of the area, the relevant HSR (if any) and workers.

4.5.2. Using the audit checklist, the internal auditor(s) must collect information by appropriate sampling to determine whether requirements have been met. Methods to collect information include conducting interviews, observation of

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activities and the review of documents and records. Only information that is verifiable may be recorded as audit evidence.

- 4.5.3. Using the audit checklist, the internal auditor(s) must:
    - a) Record information and evidence that demonstrates findings for each element on the audit checklist; and
    - b) Determine the conformance level for each element by indicating either conformance, non-conformance or an observation.
  - 4.5.4. A finding of non-applicable (N/A) may be entered where, in the opinion of the auditor, it is not possible to assess the audit element or it is not relevant. If an element is applicable but cannot be assessed, reasons for this must be noted on the checklist.
  - 4.5.5. If audit evidence exists but has not or cannot be made available at the time of the audit, a non-conformance rating should be applied.
  - 4.5.6. When the audit has been completed, a closing meeting of the audit team should be held to present audit findings. Non-conformances and recommendations should be discussed and diverging opinions resolved.
- 4.6. Audit report
- 4.6.1. The internal auditor must document the findings and recommendations from the audit on an internal audit report as soon as is reasonably practicable.
  - 4.6.2. The audit report must be forwarded to the Manager of Corporate & Community Services for review, incorporation of further information, if required, and approval.
  - 4.6.3. The Manager of Corporate & Community Services must release the approved audit report to the department manager of the area as soon as is reasonably practicable.
  - 4.6.4. The Manager of Corporate & Community Services must ensure that completed audit checklists and reports are retained in Council's document management system in line with the current version of GDS20.
- 4.7. Corrective or preventative action
- 4.7.1. On receipt of the audit report, the department manager must review the audit findings and the recommendations during department meetings and/or with the HSR or other relevant stakeholders.
  - 4.7.2. The department manager, in consultation with the HSR, workers or other relevant stakeholders (in accordance with the Communication and Consultation Procedure) must identify proposed corrective or preventative actions required when an audit report has identified non-conformances or observations.
  - 4.7.3. The Manager of Corporate & Community Services in consultation with the department manager, must forward the audit findings and proposed corrective or preventative actions to the WHS committee and management team for review, feedback and approval.
  - 4.7.4. Once approved, the Manager of Corporate & Community Services must log the recommended corrective and/or preventative actions onto the corrective action register.
  - 4.7.5. Corrective and preventative actions must be prioritised, have an agreed completion date based on the risk profile and be monitored for completion during department meetings.
  - 4.7.6. Corrective or preventative actions may require a subsequent audit or specific follow up to make sure the actions have been effective. The Manager of Corporate & Community Services should manage this process.
  - 4.7.7. If strategic changes are required as a result of internal audit findings, consultation must occur in accordance with the Communication and Consultation Procedure and approved actions included in the WHS Plan.

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- 4.8. Review of corrective or preventative actions
- 4.8.1. The Manager of Corporate & Community Services must monitor the corrective action register and provide a quarterly report to the HSC and management team that includes the status of corrective and preventative actions, any trends in audit findings and other relevant information.
- 4.8.2. The management team must direct action when corrective or preventative actions have not been completed within timeframes allocated or when issues with implementation of actions occur.
- 4.8.3. Results of internal audit reviews may result in preventative and/or corrective actions being implemented, which may include revision of this document.
- 4.8.4. The Manager of Corporate & Community Services must report on the outcomes of such reviews to the HSC and management team.

## 5. TRAINING

- 5.1. Managers, supervisors and the HSC should be trained in the requirements of the Internal Audit Procedure.
- 5.2. The Manager of Corporate & Community Services and WHS internal auditors should fulfil the training requirements for auditors as outlined in section 4.3 above.

## 6. RECORDS

The following records must be maintained:

- 6.1. Internal audit schedule
- 6.2. Internal auditor training / qualifications
- 6.3. Internal audit plans, reports & checklists
- 6.4. Corrective actions register
- 6.5. Minutes of meetings (eg departmental, management etc) where audits have been discussed
- 6.6. Consultation records

All records must be managed in line with the current version of GDS20.

## 7. RESPONSIBILITIES

- 7.1. The *Council's management team* is accountable for:
- 7.1.1. Approving budgeted expenditure for the development, implementation, review and continuous improvement of the internal audit process;
- 7.1.2. Allocating adequate human resources to the implementation and maintenance of the internal audit program;
- 7.1.3. Analysing and evaluating internal audit findings and approving preventative and corrective actions;
- 7.1.4. Checking that preventative and corrective actions have been closed out and their effectiveness is monitored;
- 7.1.5. Monitoring the maintenance of the Strategic WHS plan, including any changes that are made (if required) to incorporate internal audit findings;
- 7.1.6. Reviewing internal audit findings during management review and planning processes;
- 7.1.7. Directing required WHS management system action; and
- 7.1.8. Checking that the requirements of the Performance Standards for Self Insurers are met.
- 7.2. *Managers and supervisors* are accountable for:
- 7.2.1. Participating in internal audits, as required;
- 7.2.2. Communicating and consulting on internal audit findings and recommendations with workers;

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- 7.2.3. Checking that corrective and/or preventative actions are prioritised and implemented within the defined timeframes and are closed out when completed;
  - 7.2.4. Monitoring the effectiveness of corrective and/or preventative actions; and
  - 7.2.5. Providing data related to department WHS performance, as required.
- 7.3. The *Manager of Corporate & Community Services* is accountable for:
- 7.3.1. Developing and communicating the internal audit schedule;
  - 7.3.2. Selecting auditors to conduct internal audits;
  - 7.3.3. Forwarding internal audit findings and proposed corrective or preventative actions to the WHS committee and management team for review and approval;
  - 7.3.4. Maintaining the corrective action register;
  - 7.3.5. Scheduling subsequent audits or specific follow up to monitor effectiveness of planned actions;
  - 7.3.6. Providing quarterly reports to the HSC and management team that includes the status of corrective and preventative actions, any trends in internal audit findings and other relevant information;
  - 7.3.7. Reporting on the outcomes of internal audits to the HSC and management team.
  - 7.3.8. Undertaking any action as directed by the management team.
- 7.4. *Workers* are accountable for:
- 7.4.1. Participating in internal audit activities, as required;
  - 7.4.2. Participating in consultation activities related to internal audit findings and the identification of corrective or preventative actions; and
  - 7.4.3. Undertaking actions within the scope of their responsibility to make sure corrective or preventative actions are implemented.
- 7.5. The *HSC* is accountable for:
- 7.5.1. Facilitating co-operation between parties in matters relating to internal audits;
  - 7.5.2. Reviewing internal audit findings and providing feedback to department managers and the management team, as required; and
  - 7.5.3. Assisting in monitoring the effectiveness of corrective and preventative actions.
- 8. REVIEW**
- 8.1. This WHS Internal Audit Procedure must be reviewed by the WHS Committee in consultation with workers or their representatives every 3 years or more frequently if legislation or organisational needs change. This may include a review of:
- 8.1.1. Feedback from managers, workers, HSRs, HSC and/or other relevant stakeholders;
  - 8.1.2. Legislative compliance;
  - 8.1.3. Performance Standards for Self-Insurers;
  - 8.1.4. LGAWCS guidance;
  - 8.1.5. Internal or external audit findings; and
  - 8.1.6. Any other relevant information.
- 8.2. Results of internal audit reviews may result in preventative and/or corrective actions being implemented, which may include revision of this document.
- 8.3. The Manager of Corporate & Community Services should report on the outcomes of such reviews to the HSC and management team.
- 8.4. The outcomes of the review process may identify the objectives, targets and performance indicators for the internal audit process for the next period.



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## 9. REFERENCES

[Work Health and Safety Act 2012](#)  
[Work Health and Safety Regulations 2012](#)  
[State Records Act 1997](#)  
[General Disposal Schedule 20 for Local Government](#)  
[ReturnToWorkSA's Performance Standards for Self-Insurers](#)

## 10. RELATED DOCUMENTS

Corrective & Preventative Action Procedure  
Communication & Consultation Procedure  
Hazard Management Procedure  
Hazard Register  
Corrective & Preventative Action (CAPA) Register  
Internal audit schedules, plans, checklists & reports  
WHS Plan & Program

## 11. DOCUMENT HISTORY

Version No:	Issue Date:	Description of Change:
1.0	16/2/2016	New Document
2.0	23/8/2016	References to WHS Committee (WHSC) amended to Health and Safety Committee (HSC) for consistency with WHS Act and Codes of Practice; removal of references to WorkCover & IM; review requirements amended to be consistent with other OS documents; language & formatting