HEALTH, SAFETY & ENVIRONMENT
Audit Procedure

1. PURPOSE

To outline the process to be followed in the conduct of the health, safety and environment (HSE) audit programme, detailing the audit scheduling, pre-audit activities, raising of corrective actions, reporting, follow-up and close-out activities.

2. SCOPE

This procedure applies to all projects, subcontractors and corporate support functions and applies to internal and external HSE management system audits.

3. ROLES

Procedure owner: HSE Governance Lead

Procedure responsibilities: HSE General Manager, HSE Systems Lead, Environmental Leader, project HSE Manager

4. INTRODUCTION

Audits are conducted to across the whole of the company's management systems to:

- Determine whether the Health, Safety and Environment Management System (HSEMS) continues to conform with AS/NZ ISO 4801, 45001, 14001 and Federal Safety Commission, legislative, and other regulatory requirements (system focus)
- Determine whether the (HSEMS) is being effectively implemented and maintained
- Determine whether prescribed and planned work/business arrangements (system, process and product focus) are being implemented effectively and conformed with.
- Educate and raise awareness to staff on company systems; and
- Encourage and promote best practice and identify opportunities for improvement.

Person Responsible	Step-by-step instructions	When	Outputs
Plan Audits			
HSE General Manager	**Develop Internal Audit Schedule** A Hub HSE audit schedule will be developed and maintained by the HSE General Manager to address corporate support functional audit requirements. The audit schedule will give priority and maintain flexibility to change the audit planning to elements that represent the greatest risk. Schedules may be reviewed as required to address changes in risk. The audit schedule will ensure that each project is internally audited periodically. The Audit schedules will contain the following information: • The name of the project or function to be audited • The date and timeframe of the audit • The name of the Lead Auditor. HSE Audit schedule will be communicated to the business. The Project HSE Manager will maintain a schedule of any internal audits such as supply chain audits.	Periodically	Audit Schedule
	External audits The business may incur three types of external audits: • Audits by clients or their representatives • Third-party audits (by the company's external auditors, such as the ISO accreditation body or Federal Safety Commission audits can occur with short notice to Laing O'Rourke. • Audits commissioned by Laing O'Rourke for legal compliance. These audits should be undertaken on company premises to allow access to documents relevant to the company's systems. Documents not detailed in contracts for second-party audits must not be removed or photocopied, particularly Laing O'Rourke business processes and associated guidelines or standards that are considered by the company to be confidential and subject to copyright. Past external audits are retained for reference in the project and corporate network drives and systems, as required.	Periodically	Accreditation and Compliance

Person Responsible	Step-by-step instructions	When	Outputs
	Supply Chain Audits Audits on suppliers and subcontractors will be conducted as required by the project for HSE prequalification purposes prior to award and during the execution of the works at intervals relevant to the level of risk. Supply chain audits may take place at their premises and/or on the project or desktop.		
HSE General Manager	**Audit Scope** The HSE General Manager in consultation with the HSE Executive shall provide broad instruction to the auditor(s) for each internal audit, by nominating specific scope criteria to be assessed.	T-4 Weeks	Audit Scope
Audit Team	The audit team shall review the specific audit tool checklist in line with the scope in preparation for the upcoming audits.	T-4 Weeks	Audit Tool
Lead Auditor	The audit team will receive a briefing from the project team on the project status, upcoming works, risks and opportunities.	T-3 Weeks	
Lead Auditor	The Audit Scope will be communicated to the project by the audit team no later than T-3 Weeks using the scope and terms of reference document. The lead auditor will contact the senior manager for the project or function to establish site access and accommodation requirements (induction, access permits, mandatory PPE and so on) and finalise the audit details. This will include a request for critical support information to be provided to the audit team prior to the audit. This information may include: • A copy of the management system plans • A copy of the HSE organisation structure within the project/function • Fatal and Severe Risks that are relevant to the scope of works or will be active at the time of the audit • Past audit reports • Any specific site access approvals, requirements, or PPE for auditors.	T-3 Weeks	Audit Notification of Scope and Terms of Reference
Project HSE Manager(s)	Project support information requested to be provided to the lead auditor no later than T-2 weeks by loading information into the provided SharePoint folder to allow the auditing team time to review this information prior to conducting the audit.	T-2 Weeks	Pre-Audit Project Information

Person Responsible	Step-by-step instructions	When	Outputs
Conducting Audits			
Lead Auditor	**Opening / Entry meeting** A brief entry meeting will be convened between the Lead Auditor and the auditee(s) to: • Introduce personnel • Briefly discuss the scope of the audit • Review the proposed audit agenda or itinerary • Arrange for escorts for the audit team • Arrange for the use of an office for audit team meetings • Agree a tentative time for the audit exit meeting • Issue an invitation to the auditee's management to attend the exit meeting • Record the names of attendees. Note: Internal audits may generally adopt a less formal and simplified approach for the entry meeting depending upon the situation. Audits will be conducted using the Environmental Audit Tool or Health and Safety Audit Tool as appropriate.	Start of Audit	Opening Meeting Agenda Scope and Terms of Reference Communicated
Audit Team	**Review of Findings** The auditor will evaluate the objective evidence reviewed during the audit. The following may be considered justification for a non-conformance or corrective action: • Lack of objective evidence • Departure from procedures, plans and other approved documentation • Departure from contractual specifications, standards and codes.	During Audit	
Lead Auditor	**Closing / Exiting Meeting** The Lead Auditor will convene the audit exit meeting with the auditee(s) and all other key stakeholders. For external audits, the names of the attendees should be recorded. The auditor will present an objective overview of the audit, summarising the results, discussing any audit finding to ensure that the finding is understood by the auditee(s) and all other key stakeholders.	Final Day of Audit	Closing Meeting Agenda

Person Responsible	Step-by-step instructions	When	Outputs
Audit Reporting and Close Out			
Lead Auditor	**Audit Reporting** An audit report will be provided to the project in draft for review.	Week 1	Draft Audit Report for Review
Project HSE Manager(s)	Project site are to review and provide feedback on audit report.	Week 2	Audit Report Feedback
Lead Auditor	Final signed off report provided to the project. Upon completion of the audit report, the Lead Auditor will distribute the report to the Lead Auditee(s) for signing and acceptance of the findings and any other key stakeholders and third parties, as required, and save the audit report in the relevant project audit folder and Hub audit reporting system.	Week 3	Final Audit Report
Lead Auditor	The audit schedule and Hub audit reporting system will be updated to reflect the completion of the audit		Audit Schedule Monitoring and Reporting
Project HSE Manager(s)	**Audit feedback** In an effort to continually improve the audit process, auditees are encouraged to provide feedback about their recent audit experience. While an audit can be somewhat intimidating and time consuming, only honest feedback can help improve the quality of the audit process. Please send feedback directly to the auditor within two weeks of the closing meeting.	Week 2	Continual Improvement
Project HSE Manager(s)	**Audit Actions** Any corrective actions identified by the project to address the audit findings shall be managed as per SR Inspection, Audit and Corrective Action. All actions shall be logged in IMPACT and tracked till close out, evidence must be attached when closed.	Week 2	IMPACT

Person Responsible	Step-by-step instructions	When	Outputs
Lead Auditor	**Audit Close Out and Monitoring** The Lead Auditor will be the main point of contact for the duration of the audit until full closure. The Lead Auditor will send out reminders to the most senior manager of the audited project or function should responses not be received on time.	Ongoing	Audit Close Out and Tracking
	HSE General Manager will report on the status of assurance audits, risks and improvements identified to the Laing O'Rourke Australia Board on a monthly basis and as needed.	Monthly	Audit Close Out and Monitoring

5. AUDIT FINDINGS CRITERIA / TYPES

During the audit, information relevant to the audit objectives, scope and criteria (also known as evidence) is collected and verified against the activity criteria – resulting in findings that will indicate compliance or non-compliance. It may also lead to the identification of risks, opportunities for improvement or recording good practices. Typically, findings identified through internal audits are usually graded as:

- System is fully implemented - Conformance to the criteria was demonstrated.
- System is partially implemented - Minor nonconformance
- Significant gaps in process - Major Conformance
- Process not established or implemented

6. AUDIT PRINCIPLES

The audit principles shall always be adhered to ensure quality, consistency, effectiveness and reliability of the function. All audits shall be conducted:

- in an ethical manner, findings presented fairly with objective evidence, using diligent unbiased judgement;
- by properly handling, using and protecting information acquired during the audit, in particular to sensitive or confidential information by focusing on those matters representing the greatest risk; and
- by competent people and independent to the implementation of plans, processes or procedures being audited.

7. AUDITOR SELECTION AND COMPETENCIES

Audits will be conducted by competent and qualified auditors who are independent of the activity being audited and must not audit their own work. Refer to LORA Competency and Training Matrix.