

PROCEDURE

Internal & External Audits

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1 PURPOSE

This procedure describes the planning, conduct and reporting of Internal/External Audits and Workplace Inspections, along with the monitoring of any actions required as an outcome, in the quality, safety and environmental management systems.

2 SCOPE

This procedure is applicable to all operational processes and workplace inspections by all employees and sub-contract workers of the company, irrespective of their location of delivery or by whom they are being delivered.

The objectives of the Audits are:

- to verify that the required results are achieved,
- to discover any potential problem areas,
- to eliminate unnecessary losses,
- to determine if corrective and/or preventive actions are required.

3 DEFINITIONS

Company / the Company: Refers to Reay Services Group and associated entities.

System: Quality, Safety and Environmental.

Audit: An audit is defined as a planned, purposeful and comprehensive independent examination, conducted by specialised personnel, of management objectives, assignments of data, delegations of responsibilities and methods of operation to verify that the stated objectives are met.

TYPES OF AUDITS

Several types of audits (external or internal) may be performed.

Audits on documentation: These audits will verify that all control documents are current and appropriately distributed.

Audits on procedures:	These audits will verify that the current procedures are consistent with the company's commitment to quality are correctly applied. They will also determine if the required means and resources are available.
Compliance Audit:	A comprehensive review of the business's undertakings that requires systematic examination and evaluation against its own HSE procedures and processes including any regulatory requirements and any associated mandatory guidelines.
Evaluation audits:	An evaluation audit may be performed at the subcontractor's facility in order to evaluate their compliance with purchasing requirements.
Internal audits:	The internal audits verify the Systems of the company and all activities concerning the quality and safety compliance with the requirements defined in the internal procedures.
MR:	Management Representative.
Personal Risk Assessment (eg. SLAM / Take 5):	<p>A quick, easy and personalised risk assessment tool;</p> <ul style="list-style-type: none">▪ The process helps us to identify how we could get hurt in the task we are about to do.▪ This must be conducted prior to starting any task.
Process audits:	<p>These audits will:</p> <ol style="list-style-type: none">a) verify at the start and during the accomplishment of an activity that the procedures used are adequate and ensure a consistent outcome of the activity to the stated specifications;b) verify that activities are carried out in accordance with documented proceduresc) identify the causes of non-conformity of a product or service.
Quality System audits:	These audits will verify that all elements of the quality system are operating effectively.
Workplace Inspections:	Inspections of work areas to check compliance with documented procedures in relation to housekeeping, equipment, work practices, use of personal protective equipment, emergency equipment, etc.

4 RESPONSIBILITIES

All company employees and contractors are responsible for complying with the requirements of this procedure.

Refer to QMS-PRO-026 Authorities and Responsibilities procedure for further details.

5 PROCEDURE

5.1 Audit Schedule for Internal Audits:

The audits will be scheduled according to:

- a) the HSEQ Audit Schedule,
- b) exceptional circumstances when:

- 1) the quality observed is no longer in compliance with the stated standard,
- 2) important changes occur at the company (new General, new training facilities. etc.),
- 3) the causes of non-conformity have to be identified,
- 4) a requirement for a follow-up of corrective actions.

5.2 Audit Schedule for External audits

The decision to perform an audit at a subcontractor or supplier facility is the responsibility of the General Manager, in collaboration with the respective Area Works Superintendent.

Such an audit may be necessary:

- a) when a contractual obligation in the relationship with the subcontractor or supplier exists, or
- b) "by exception" when a need to audit is identified.

5.3 Preparation of the Audit

The Management Representative is responsible for having the audits performed by auditors, whether they are full time or part time auditors, who shall not be directly involved in the activity to be audited.

The auditors will be:

- a) suitably trained in auditing techniques;
- b) independent of the activity being audited.

The auditor shall contact the auditee informally to arrange a convenient time and date to discuss the scope of the audit.

5.4 Reference documents to be used:

The documents used to prepare for the audit will include:

- a) description of the activity to be audited;
- b) audit reports from preceding audits, including any outstanding corrective actions;
- c) any other pertinent information.

5.5 Audit Tools:

The auditor shall use system documents for the audit (eg specific procedure, standard) as the tool for conducting the audit. The auditor shall verify that:

- a) required tasks are performed satisfactorily as required by the standard;
- b) records of evidence supporting compliance with the procedure are available;
- c) the necessary means and resources are available.

The auditor shall record findings from the audit on the system document (or other mechanism for example an audit notepad).

5.6 Audit Performance

Audits shall start with an opening meeting explaining the objective of the audit and the procedures to be followed. The auditor will then audit all relevant activities using the audit system document as a tool or guide. He/she will:-

- a) question, review and observe personnel,
- b) verify documentation,
- c) inspect the facilities, working environment, materials, equipment, information, records etc.,
- d) witness the activities that make up the operation to establish compliance with the required standard and
- e) grade the findings (eg. compliant, non-compliant, opportunity for improvement)

5.7 Review

After the actual audit the auditor/s will meet to review their observations and the audit plan to see if all aspects were covered and resolve any problems before the closing meeting. After collating the audit findings appropriate notices are raised (identified non-conformances, etc) and preparation for the closing meeting is completed.

5.8 Debriefing

At a time agreed with the auditee the auditor and the area manager concerned will meet. During this meeting the auditor will explain the findings and any non-conformance or need for corrective action that may apply.

These corrective actions and a due date for their application will be proposed by the area manager and agreed upon with the auditor.

The Corrective Preventive Action Register will be updated based on the meeting outcomes (the CPAR is reviewed at Management Review meetings to monitor close out of actions). When applicable, relevant documentation to support the objective evidence for the non-conformance will be attached.

5.9 Audit Report and Follow-up

After the debriefing meeting the auditor will compile the audit report. This report will reflect exactly the conclusions reached and recommendations made during the closing meeting.

Any items that are identified as requiring action from the audit will be recorded and monitored in the Corrective and Preventative Action Register QMS-REG-001, this shall include the person responsible for the application of the corrective actions and will the agreed due date.

5.10 Distribution of the reports

The audit reports will be distributed to:

- a) the Auditors that participated in the audit,
- b) the concerned Area Manager,
- c) the Auditee.

These reports will be discussed during the Management Review meetings.

5.11 Record keeping

All documents concerning the audits and inspections will be stored either electronically or in hard copy at the site or in Corporate Office.

6 REFERENCE DOCUMENTATION

QMS-REG-001 Corrective Preventive Actions Register
QMS-REG-018 - HSEQ Audit Schedule
WHS-FRM-406 Workplace Inspection
QMS-PRO-026 – Authorities and Responsibilities Procedure