



The Auditing Roundtable

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June
2008

Audit Report

Newsletter of The Auditing Roundtable

Calendar of Events

NATIONAL MEETINGS

September 3-5, 2008
Crystal City, VA

April 2009
San Antonio, TX

September 2009
Baltimore, MD

January 2010
Phoenix, AZ

September 2010
Philadelphia, PA

April 2011
Cleveland, OH

September 2011
Denver, CO

January 2012
San Diego, CA

September 2012
Washington, DC

Regional Meetings
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Welcome Back to the Capitol!

By Joe Cotier, STC, AR Meetings Chair

The Auditing Roundtable is returning to the Nation's Capitol in September, holding its Annual Meeting in Crystal City on September 3-5. And this meeting will contain a little extra...more training opportunities that have ever been offered. After the rousing success of the Roundtable's "Auditing Basics" training course held in Phoenix, the organization is looking to expand by offering three concurrent training sessions: "Auditing Basics" (Wednesday-Thursday), "Environmental Compliance" (Tuesday afternoon-Thursday), and Health and Safety Compliance (Tuesday afternoon-Thursday). BEAC will hold Exam day on Saturday. At no previous event have the Roundtable and BEAC held so many certification opportunities! Everyone that signs up for one of the training courses will also be invited to attend the Roundtable sessions on Friday and evening activities/reception on Wednesday. For those who are certified and seek other training/CEU opportunities, we will hold a CEU course that will focus on using Greenhouse Gas protocols.

As we are in the Washington, D.C. area, the Roundtable will draw speakers from the regulatory agencies to get the "Government Perspective" on our plenary session topics. Agency speakers have been invited to compliment our esteemed colleagues from consulting and industry on topics such as: Process Safety Management, Nanotechnology, Greenhouse Gases and Security Auditing. We will also look for their input during other plenary and Interest Group discussions. The meeting agenda also includes sessions which will address: audit program reviews and how they have changed over the years, auditing of behavior based safety, and a perspective on sustainability reporting and social responsibility auditing.

There are still plenty of opportunities to participate in the meeting content and lots of sponsorship availabilities. If you are interested in either, please contact Kathy at kathy@auditing-roundtable.org. See you in D.C.!



Regional

Auditing Roundtable Members Speak At SISO-ASSE Singapore Regional Safety Conference

Auditing Roundtable board member Joyce Okantey and Jack Fearing, CPEA, Chair of the Health and Safety Interest Group, spoke at the 2008 SISO-ASSE Regional Safety Conference “Integrating Safety – A Business Advantage” which was held in Singapore on April 30, 2008 at the Novotel Clarke Quay Conference Center. The program was highlighted by Mr. Heng Chiang Gnee, Deputy Chairman, WSH Council and the keynote address delivered by Mr. Ho Siong Hin, Commissioner, Workplace Safety and Health, Ministry of Manpower. The Conference was held in conjunction with the National Workplace Safety and Health (NWSH) Campaign which was launched by Prime Minister Lee Hsien Loong a day earlier.

Featured topics included Supply Chain and Product Safety Risk Assessment; Business Metrics for Safety, Health and the Environment (SHE); Business Continuity Planning; Being Incident- and Injury-Free in Today’s Workplace; and a SHE regulatory overview of Singapore and Malaysia SH&E regulations. More than 180 participants and guests attended the first-ever conference. Attendees were from the United States, the Association of Southeast Asian Nations (ASEAN), and throughout Asia Pacific. The American Society of Safety Engineers (ASSE) and the Singapore Institution of Safety Officers (SISO) jointly hosted the conference.

Okantey provided a comprehensive overview of the mission and objectives of the Auditing Roundtable and certification opportunities through BEAC.

Fearing’s presentation on “Business Metrics for EHS” examined some relevant metrics that could be used to measure program improvements and successes, which included both lagging and leading indicators, as an excellent opportunity for continuous improvement in any organization. In his second paper, “Selling Safety to Management” Fearing examined some case studies that demonstrated management commitment to added-value SHE programs. A strong safety culture lends itself to improved



Edwin Yap, SISO President (far left), Niranjan Masurekar, SISO board member, Joyce Okantey, Secretary of The Auditing Roundtable, and Stuart Wood, ASSE IPS Administrator.

business performance. Fearing is a senior consultant for Aon Global Risk Consulting in Parsippany, NJ.

The primary objective of the conference was to help educate SHE professionals and operations executives about the value of safety at work. Other opportunities included networking and vendor displays and demonstrations. There was also a two-day pre-conference workshop on equipment engineering safety evaluation training.

Other goals of the regional conference included educating businesses regarding the value of safety and health at work. Specifically, that safety and health are not just for high-risk industries but as a core business value across all industries. Businesses around the world spend an estimated \$500 billion a year on direct and indirect costs associated with occupational injuries. As much as five percent of a company’s total profits can potentially be saved (ROI) by implementing health and safety programs. The ASSE-SISO regional conference was also part of this year’s North American Occupational Safety and Health (NAOSH) week celebration, which ran May 4-10, 2008, and focused on how safety and health in the workplace is a proven business imperative.

The Singapore Institution of Safety Officers (SISO) was founded in 1975 to provide

opportunities for networking and interaction among occupational safety and health officers and practitioners. With a vision to be the leading institution representing occupational safety and health professionals in Singapore, its mission is to establish professional development opportunities to enhance the competence and status of its members. SISO seeks to promote and upholds high standards of professional practice among its members. SISO is also a member of the International Network of Safety and Health Practitioner Organizations (INSHPO) based in UK. For more information on SISO, visit www.siso.org.sg.

Founded in 1911, the Des Plaines, IL-based ASSE is the largest and oldest professional safety organization and is committed to protecting people, property and the environment. Its more than 31,000 occupational safety, health and environmental professional members manage, supervise, research and consult on safety, health, transportation and environmental issues in all industries, government, labor and education. For more information please go to www.asse.org.



Regulatory

Conducting Risk Assessments in the United Kingdom

A Regulatory Requirement

Jack Fearing, CPEA

Introduction

Identifying and managing risks in the workplace is not unique to multi-national companies operating in the United States. While the process, and the regulations, may be slightly different in various countries around the globe, the responsibility to identify, manage and/or eliminate risks in the workplace is the same. Not only can they cause unnecessary injuries and illnesses to employees and contractors, they can also cause significant disruption to operations as a result of facility damage.

This article examines the regulatory requirements published by the Health and Safety Executive (HSE) in the United Kingdom for conducting and documenting risk assessments in the workplace for all operations. However, if a company uses hazardous chemicals and have already assessed the risks to health and the precautions they need to take under the Control of Substances Hazardous to Health Regulations (COSHH), they can consider them 'completed' and move on. There is no requirement to duplicate that effort.

If you are familiar with the Occupational Safety and Health (OSHA) model for conducting a Job Hazard Analysis (JHA) you will notice many similarities in the processes. It is important to note that while conducting a risk assessment is required by law in the UK, as well as many countries throughout the European Union, it is not a separate OSHA requirement to conduct a JHA. However, several OSHA standards do require that some form of risk assessment be conducted and documented, most notably the OSHA Personal Protection Equipment standard [29 CFR 1910.132 (d)].

HSE Principals of Sensible Risk Management

1. Sensible risk management is about:
 - Ensuring that employees and the public are properly protected;
 - Providing overall benefit to society by balancing benefits and risks, with a focus on reducing real risks – both those which arise more often and those with serious consequences;
 - Enabling innovation and learning; not stifling them;
 - Ensuring that those who create risks manage them responsibly and understand that failure to manage real risks responsibly is likely to lead to significant reaction;
 - Enabling individuals to understand that as well as the right to protection, they also have to exercise responsibility.
2. Sensible risk management is not about:
 - Creating a totally risk free work environment;
 - Generating unnecessary paperwork (See Myths vs. Reality);
 - Scaring employees by exaggerating or publicizing trivial risks;
 - Stopping important recreational and learning activities for individuals where the risks are managed;
 - Reducing protection of employees from risks that cause real harm and suffering.

What is a risk assessment?

A risk assessment is simply a careful examination of what, in the workplace, could cause harm to employees and contractors so that employers can determine whether they have taken enough precautions to mitigate the risk or should do more to prevent potential injuries and illnesses. Employees have a right to be protected from harm caused by a failure to take reasonable control measures.

Injuries and illnesses can have an adverse impact on employees and affect a company's costs and productivity. Further, if output is lost, machinery is damaged, insurance costs increase or company has to go to court it provides a negative company image to the public. In the UK a company is legally required to assess the risks in each workplace so that they can put in place a plan to control each identified risk.

How to assess risks in the workplace

When planning and conducting a workplace risk assessment, the Health and Safety Executive requires that employers use the following five step process:

1. Identify the hazards;
2. Decide who might be harmed and how;
3. Evaluate the risks and decide on appropriate corrective actions;
4. Record the findings and implement them in a timely manner;
5. Periodically review the assessments and update them, as necessary.

In many organizations, the risks are well known and the necessary control measures are easy to apply. An employer probably already knows whether, for example, they have employees who move heavy loads and so could harm their backs, or where employees are most likely to slip or trip. If so, check that you have taken reasonable precautions to avoid injury.

If a company is a small organization and are confident they understand what's involved, they can do the assessment themselves. If the company is a larger organization, they should ask a company health and safety advisor to help them. However, If they are not confident, get help from someone who is competent, including your insurance brokers' risk control professional. In all cases, an employer should make sure that they involve the staff or their representatives in the process. They will have useful information about how the work is done that will make your assessment of the risk more thorough and effective. But remember, the employer is ultimately responsible for seeing that the assessment is carried out properly.

When planning a risk assessment, remember these two definitions:

- A hazard is anything that may cause harm, such as chemicals, electricity, working from ladders, an open drawer etc;
- The risk is the chance, high or low, that somebody could be harmed by these and other hazards, together with an indication of how serious the harm could be.

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Alternatively, the recently published ANSI Z10:2005 standard uses the following to define risk:

"An estimate of the combination of the probability of an occurrence of a hazardous event or exposure(s), and the severity of injury or illness that may be caused by the event or exposures." This definition of risk is often associated with the use of a risk matrix (See Figure 1.).

The HSE Five Steps to Conducting a Risk Assessment

A risk assessment is an important step in protecting employees and businesses, as well as complying with the law. It helps focus on the risks that really matter in the workplace – the ones with the potential to cause real harm. In many instances, straightforward measures can readily control risks. For example, ensuring spills are cleaned up promptly so employees do not slip, or cupboard drawers are kept closed to ensure employees do not trip. For most, that means simple, inexpensive and effective measures to ensure a company's most valuable asset - the employees - is protected.

The HSE does not expect businesses to eliminate all risk, but they are required to protect employees and contractors as far as 'reasonably practicable'.

The following methodology is not the only way to do a risk assessment. There are other methods, including software programs, which work well, particularly for more complex risks and circumstances. However, the HSE believes that this method is the most straightforward for most organizations, regardless of size.

Step 1: Identify the hazards

When a person works in a place everyday it is sometimes easy to overlook some hazards. The following are some tips to help identify the ones that matter:

- Regularly walk around the workplace and look at what could reasonably be expected to cause harm;
- Ask employees or their representatives what they think. They may have noticed things that are not immediately obvious to you.
- If the company is a member of a trade association, contact them. Many produce other very helpful guidance, forms and training materials.
- Check and follow manufacturers' instructions or MSDS sheets for chemicals and equipment as they can be very helpful in spelling out the hazards and putting them in their true perspective;
- Review your accident and ill-health records and insurance carrier loss runs – these often help to identify the high frequency and severity hazards;
- Remember to think about long-term hazards to health (e.g., high levels of noise or exposure to harmful hazardous substances) as well as physical hazards.

Step 2: Decide who might be harmed and how

For each hazard the assessor must be clear about who might be harmed; it will help to identify the best way of managing the risk. That doesn't mean listing everyone by name, but rather identifying groups of employees (e.g., 'employees working in the storeroom' or 'contractors').

Some "Tips to Remember":

- Some employees have particular requirements (e.g., new and young employees, new or expectant mothers and employees with

disabilities may be at particular risk. Extra thought will be needed for some hazards;

- Cleaners, visitors, contractors, maintenance employees, etc., who may not be in the workplace all the time;
- Members of the public, if they could be hurt by your activities;
- If employers share the workplace, they will need to think about how their work affects others present, as well as how their work affects the staff; and,
- Ask the department staff if they can think of anyone who may have been missed.

In each case, identify how they might be affected (i.e., what type of injury or illness might occur). For example, shelf stackers may suffer back injury, or CTD, from repeated lifting of boxes, etc.

Step 3: Evaluate the risks and decide the proper precautions

Having identified the hazards, the assessor then has to decide what to do about them. The law requires an employer to do everything 'reasonably practicable' to protect employees from harm. The assessor can work this out for themselves, but the easiest way is to compare what they are doing with existing and accepted Best Practices.

Examine what is already being done. Think about what controls are in place and how the work is organized. Then compare the results with the Best Practice and see if there's more that should be done to bring the operation up to standard. In asking this, consider:

- Can we eliminate the hazard altogether?
- If not, how can we control the risks so that an accident is unlikely?

When controlling risks, apply the principles below, if possible in the following order:

- Try a less risky option (e.g., substitute using a less hazardous chemical);
- Prevent access to the hazard (e.g., guarding, etc.);
- Organize work to reduce exposure to the hazard (e.g., using barriers between pedestrians and traffic);
- Issue personal protective equipment (e.g., clothing, footwear, goggles etc). If this is your option, follow the prescribed hierarchy of controls; and,
- Provide emergency facilities (e.g., first aid and emergency showers for the removal of contaminates).

Improving health and safety does not have to be expensive. For instance, placing a mirror on a dangerous blind corner to help prevent vehicle accidents is a low-cost precaution considering the risks. Failure to take simple precautions can cost a company much more if an accident does occur. Historically, the Return on Investment (ROI) for safety and health improvements is \$4:1 or greater.

Also, remember to Involve the staff so that they can be sure that what is being proposed to do will work in practice and won't introduce any new hazards.

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Step 4: Record the findings and implement them

Putting the results of a risk assessment into practice will make a difference when demonstrating concern for employee safety and health. Writing down the results of a risk assessment, and sharing them with the staff, encourages the assessor to do this. If a company has fewer than five employees they do not have to write anything down, though it is useful so that the employer can review it at a later date if, for example, something changes.

When writing down the results, keep it simple, for example 'Tripping over trash: bins provided, staff instructed, weekly housekeeping checks', or 'Fume from welding: local exhaust ventilation used and regularly checked'. However, make sure it is targeted enough to identify and eliminate all related hazards.

The HSE advises that the assessor should not expect a risk assessment to be perfect. However, it must be suitable and sufficient to address the hazards. Ensure that it includes the following:

- A proper inspection was conducted;
- A determination of who might be affected;
- All the obvious significant hazards, taking into account the number of employees who could be involved;
- The corrective actions are reasonable, and the remaining risk is low; and
- Involve the department staff or their representatives in the process.
- Use the HSE template is available for businesses (See Figure 2.)

If the assessment results indicate that there are improvements that must be made, large or small, don't try to do everything at once. Develop a corrective action plan (CAP) and establish timelines to deal with the most important hazards first. HSE inspectors will acknowledge the efforts of businesses that are clearly trying to make improvements.

A good CAP includes a combination of different requirements. These include:

- A few relatively inexpensive or easy improvements that can be done quickly, perhaps as a temporary solution until more reliable controls are in place;
- Longer-term solutions to those risks most likely to cause accidents;
- Longer-term solutions to those risks with the worst potential consequences;
- Training employees on the main risks that remain and how they are to be controlled;
- Regular inspections to make sure that the control measures stay in place; and
- Clear defined responsibilities – who will lead on what action, and by when, including the completion date.

Remember, prioritize and address the most important things first. After each complete action, check it off the CAP.

Step 5: Review risk assessments and update when necessary

Few workplaces stay the same for long. Usually they will bring in new equipment, hazardous substances and new procedures that could lead to new or increased hazards. It makes sense therefore, to review what you are doing on an ongoing basis. Every year or so formally review the risk

assessment to make sure you are still improving, or at least not reverting back to the old situation.

Continually examine completed risk assessments. Have there been any changes in your operations? Are there improvements that still need to be made? Have the employees identified an additional issue? Has an analysis been completed to identify trends from accidents or near misses? This type of rigor will ensure your risk assessments stay current.

For most employers running a business it's all too easy to forget about reviewing risk assessments – until something has gone wrong and when it's too late. Be proactive and set a review date for this risk assessment before an adverse event occurs. Write it down and note it in your planner as an planned, annual activity.

During the year, if there is a significant change, don't wait. Check all risk assessments and where necessary, amend them. If possible, it is best to think about the risk assessment when you're planning your change. In do so you leave yourself more flexibility for improvements.

Conclusion

There are many types of risks present in most workplaces that must be identified and mitigated if your company is committed to providing a workplace free of recognized hazards. They include strategic, operational, financial and hazardous risks. From a health and safety perspective, the latter is the one that most applies. It includes not only injuries and illnesses, but also facility and equipment damage, regulatory intervention, and environmental excursions.

Ensuring that all employees are aware of their responsibility in managing your risks is critical to this effort, regardless of whether you are in the UK or the US. This includes training and awareness, beginning with the new hire orientation, and continuing through to more specific education such as hazard recognition and timely accident and injury reporting. The key to all of this is to ensure that your company has an accountability system in place to encourage full participation by all employees. The axiom "What gets measured get done" will surely apply. Further, adding that "What gets done well gets recognized" will further enhance the success of your program and increase employee involvement in the process.

References

- The Health and Safety Executive, Five Steps to Risk Assessment (2007)
- The American National Standard Institute, Occupational Health and Safety Management System (2005)
- The Occupational Safety and Health Administration, Job Hazard Analysis (2002)

Jack Fearing, CPEA, is a Senior Consultant with Aon Global Risk Consulting and based in Parsippany, NJ. He has over 25 years of safety and health program management experience including planning and conducting comprehensive audits and inspections for multi-national companies in the pharmaceutical, chemical and manufacturing industries. He is a professional member of the American Society of Safety Engineer's (ASSE) and the Assistant Administrator of the ASSE International Practice Specialty (IPS). He was the 2007 CoPS "Safety Professional of the Year". He is also a member of The Auditing Roundtable and Chair of the Health and Safety Interest Group. He can be contacted at +1-973-463-6240 or jack_fearing@aon.com.