

CMHS Act and Regulation
LEGISLATION COMPLIANCE AUDIT TOOL
Contractor Management Plan Field Audit

NSW Department of Primary Industries

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1 INTRODUCTION

1.1 Background

The *Coal Mine Health and Safety Act 2002* and *Regulation 2006* came into effect in December 2006 and apply in addition to the *Occupational Health and Safety Act 2000* and *Regulation 2001*.

The Wran Mine Safety Review Report (February 2005) recommended that the new provisions be subject to audit and review 24 months after commencement (Recommendation 6).

To achieve the intent of the Wran Report recommendation, the DPI Mine Safety Operations Branch;-

- Has conducted desktop assessments of all coal operation HSMS and Contractor Management Plans in 2008;
- Will conduct further detailed audits of coal operation compliance with the relevant legal provisions during 2009. The audit program will address health and safety management systems, contractor management plans, electrical engineering management plans, mechanical engineering management plans.

This document sets out the procedure for the conduct of audits, including;

- The coal operation's Contractor Management Plan.

Each coal operation will be provided a copy of this audit tool, prior to the audit commencing, and are encouraged to self assess their Contractor Management Plan.

1.2 Objectives

The objectives of the Contractor Management Plan Audit Program are to;-

- assess whether the Contractor Management Plan's of NSW coal operations include all matters, plans and procedures required under the relevant legal provisions;
- provide feedback to NSW coal operations on the extent to which their Contractor Management Plan includes all matters required under relevant legal provisions;
- identify any industry-wide problems and issues in achieving compliance with the relevant legal provisions and suggest strategies to address them; and
- establish baseline data on the extent of NSW coal operation compliance with the relevant legal provisions to enable future audit programs to assess trends in the extent of compliance.

2 AUDIT PROCEDURE

2.1 Nomination and Briefing of DPI Assessment Officers

The Area Manager NE and SE will arrange for;-

- a DPI inspector/MSO to be nominated as the DPI Assessment Officer for each coal operation;
- all DPI Assessments Officers to attend a briefing on the Contractor Management Plan Audit Program objectives and procedures.

Record-Keeping

To assist the DPI Program Manager monitor the Contractor Management Plan Assessment Program, a Program Schedule will be established which indicates;-

- the DPI Assessment Officer for each coal operation; and
- the dates of each assessment briefing.

A dedicated file will be created for the assessment for each coal operation.

2.2 Notification to Coal Operations

All coal operations will be notified in writing, by the assessing officer, of the Contractor Management Plan Assessment Program. This Notice will;

- indicate the objectives and scope of the assessment program;
- provide an outline of the assessment procedure;
- include a copy of this document;
- indicate the name and contact details of the DPI Assessment Officer responsible for the conduct of the assessment (as nominated in 4.1);
- indicate the documentation the coal operations are requested to make available for review during the assessment;
- indicate the range of persons required to be interviewed during the assessment;

- request the coal operation provide the name and contact details of a representative to liaise with the DPI Assessment Officer to coordinate the conduct of the assessment.

Record Keeping

The DPI Assessment Officer will place a copy of the Notice for each coal operation on the on the relevant file.

2.3 Pre-Assessment Briefing

DPI Assessment Officers will conduct pre-assessment briefings with each coal operation. This briefing may take place at a meeting at the coal operation, or over the telephone.

During the briefing, the DPI Assessment Officer will;-

- explain the objectives and procedure for the assessment program as outlined in the Notice;
- clarify the coal operation documents that will be required for review as part of the assessment (with reference to the criteria in the Assessment Worksheet);
- Request a written update on actions taken as a result of the 2008 desktop audit
- ask if there are any questions about the assessment program and procedure, and respond to any questions; and
- confirm a date and facilities for the assessment.

Record Keeping

The DPI Assessment Officer will;-

- record notes on any significant issues arising during the pre-assessment briefing in the relevant file.

2.4 Assessment field visit

At the agreed date and time, the DPI Assessment Officer will attend the coal operation and conduct the assessment.

During the assessment the DPI Assessment Officer will:-

- review relevant coal operation documentation against the audit criteria specified in the Audit Checklist;

- interview relevant persons verifying details identified in Audit Checklist
- record assessment scores and comments, and identifying details of the coal operation documentation on which these findings are based, using the Contractor Management Plan Assessment Worksheet..

The Contractor Management Plan Assessment Worksheet is included as **Appendix A**.

Once the assessment is completed, the DPI officer will provide a brief verbal summary of the findings to the coal operation management representatives.

2.5 Feedback Report and other records

Following the conduct of the assessment, the DPI Assessment Officer will prepare a Feedback Report of the Contractor Management Plan assessment, including;-

- a typed version of the Contractor Management Plan Assessment Worksheet;
- a standard covering letter.

The template covering letter is included in **Appendix B**.

Record Keeping

The DPI Assessment Officer will;-

- enter the required data and information from the Assessment Worksheet into the Program Database;
- confirm the date the Feedback Report is completed and data entered with the Area Manager who shall update the Program Schedule;
- ensure a copy of the Feedback Report is included in the relevant file.

2.6 Feedback report provided to Coal Operation

The DPI Assessment Officer will forward a copy of the Feedback Report to the coal operation.

Record Keeping

The DPI Assessment Officer will;-

- retain copy of the finalised Feedback report on the dedicated DPI file.

2.7 Program Report

Once all desktop assessments have been conducted for all coal operations, and feedback reports have been finalised, the Chief Inspector will arrange for the preparation of a report summarising the conduct and outcomes of the Contractor Management Plan Assessment Program.

The Program Report will;-

- provide an outline of the objectives and procedures for the Assessment Program
- include statistical information on the number of assessments conducted, and the range and average assessment scores for each criteria, derived from the Assessment Database;
- indicate the key strengths and weaknesses of Contractor Management and practices across the coal industry sector;
- include recommendations for strategies and actions to support improvements in coal operation Contractor Management and practices

A draft Program report will be circulated to all DPI Assessment Officers for review and comment, before being finalised by the Chief Inspector.

Once finalised, the Program Report will be distributed to all coal operations and published on DPI's website.

Appendix A - WORKSHEET INSTRUCTIONS FOR USE

This Worksheet is designed for use in DPIs Contractor Management Plan Assessment Program 2009.

Column 1 – Assessment Criteria

The Criteria are drawn from the Contractor Management Plan Assessment Checklist.

Column 2 - Assessment

The assessment rating should be recorded in Column 2. The Assessment rating scale is as follows:-

Rating:

0	1	2	3	4	5
N/A	Just starting		Progressing		Done

Column 3 – Relevant Coal Operation Documents and Questions that may be asked in the field

The title and identifying references (document number and/or date of issue) of all documents cited during the assessment of each criteria should be recorded in this column.

Column 4 – Comments

Comments regarding the extent and nature of compliance and non-compliance with assessment criteria should be recorded in this column. This may include;

- Areas/issues in which the documents reviewed indicate full or partial non-compliance with the assessment criteria.
- Areas/issues for which relevant documents were not available at the assessment field visit, and/or do not appear to be created or stored by the coal operation;
- Any other comments indicating the justification for the assessment score.

Assessment Database

All information recorded on this Worksheet during the assessment should be entered into the Assessment Database.

HSMS Audit Worksheet

ASSESSMENT CRITERIA	RATING	DOCUMENTS REVIEWED and QUESTIONS TO ASK	COMMENTS
<p>1. Contractor Management Plan</p> <p>There is a Contractor Management Plan which provides for;-</p> <ul style="list-style-type: none"> - the identification of types of contractors to which the Contractor Management Plan applies; and - assessment of proposed contractor's health & safety arrangements (including safety management, competence of people, and fitness for purpose of plant) prior to engagement, and - site induction of contractors, sub-contractors and their employees; and - monitoring of contractor compliance with site health and safety requirements and relevant legislative requirements. 	<input data-bbox="945 518 1010 582" type="checkbox"/>	<p>Refer 2008 desktop audit.</p> <p>Have deficiencies been rectified?</p>	

ASSESSMENT CRITERIA	RATING	DOCUMENTS REVIEWED and QUESTIONS TO ASK	COMMENTS
<p>2. Consultation on Contractor Management Plan</p> <p>The operator's Contractor Management Plan was developed in consultation with relevant workers.</p>	<input data-bbox="945 379 1010 443" type="checkbox"/>	<p>Refer 2008 desktop audit.</p> <p>Have deficiencies been rectified?</p> <p>Question to relevant workforce representative: were you consulted in the development of the CMP?</p>	

ASSESSMENT CRITERIA	RATING	DOCUMENTS REVIEWED and QUESTIONS TO ASK	COMMENTS
<p>3. Pre-engagement assessment of contractors</p> <p>The operator assesses the health & safety management arrangements of proposed contractors before they are engaged; including;</p> <ul style="list-style-type: none"> - health & safety management arrangements; and - competence of contractor employees and sub-contractors; and - suitability of equipment, materials and substances. 		<p>Refer 2008 desktop audit.</p> <p>Have deficiencies been rectified?</p> <p>Documents: evidence of pre-engagement assessment</p> <p>Question to contractor representative: how did the operator assess your OHS arrangements prior to you commencing on site?</p>	

ASSESSMENT CRITERIA	RATING	DOCUMENTS REVIEWED and QUESTIONS TO ASK	COMMENTS
<p>4. Pre-commencement consultation with contractors</p> <p>Before relevant contractors commence work, they are consulted to ensure they are familiar with the operator's Contractor Management Plan, and parts of the operator's HSMS relevant to the contractors' work.</p>	<input data-bbox="931 411 994 475" type="checkbox"/>	<p>Refer 2008 desktop audit.</p> <p>Have deficiencies been rectified?</p> <p>Documents: evidence of pre-commencement consultation</p> <p>Question to relevant contractor: did the operator explain the operation's HSMS prior to you commencing on site?</p>	

ASSESSMENT CRITERIA	RATING	DOCUMENTS REVIEWED and QUESTIONS TO ASK	COMMENTS
<p>5. Contractor Safe Work Method Statements</p> <p>Before relevant contractors commence work, they have provided the Operator with a copy of the Safe Work Method Statement for the contractors' work, which;-</p> <ul style="list-style-type: none"> - describes how work is to be carried out, and - identifies the work activities assessed as having safety and health risks, and - identifies the safety and health risks, and describes the risk control measures that will be applied to the work activities 	<input type="checkbox"/>	<p>Refer 2008 desktop audit.</p> <p>Have deficiencies been rectified?</p> <p>.Documents: SWMS's submitted by contractors</p> <p>Observation: are contractor's working to the submitted SWMS</p> <p>Question to contractors: are you aware of the SWMS for the job?</p>	

ASSESSMENT CRITERIA	RATING	DOCUMENTS REVIEWED and QUESTIONS TO ASK	COMMENTS
<p>6. Contractor’s OHS Management Plan</p> <p>Before relevant contractor’s commences work, the Operator has obtained a copy of the contractors site-specific OHS Management Plan, which includes;-</p> <ul style="list-style-type: none"> - the names, positions and specific OHS responsibilities of persons in relation to the contractor’s work, and - the arrangements for managing OHS incidents, including the means of informing the Operator in a timely fashion, and - any work specific safety rules that apply to the contractor’s work and arrangements for ensuring that all persons involved in the work are informed of the rules, and - safe work method statements for all work activities assessed as having safety or health risks. <p>Note: “relevant contractors” include;-</p> <ul style="list-style-type: none"> • contractors undertaking high risk activities as defined in CMHS Act clause 49, blast contractors at an open cut coal operation 	<input type="checkbox"/>	<p>Refer 2008 desktop audit.</p> <p>Have deficiencies been rectified?</p> <p>.Documents: OHS Management Plan submitted to operator by relevant contractor. Incident reports provided by contractor..</p> <p>Observation: is the contracted works being undertaken in accordance with the contractor’s OHS Management Plan?</p> <p>Questions to contractors:</p> <ul style="list-style-type: none"> • What are your OHS responsibilities under the OHS Management Plan? • What type of incidents do you have to report and how is it done? • What safety rules apply to the contracted works? 	
<p>Mine Safety Operations Document controller: Bill Barraclough COA-017</p>		<p>Page 16 of 19 March 2009</p>	

ASSESSMENT CRITERIA	RATING	DOCUMENTS REVIEWED and QUESTIONS TO ASK	COMMENTS
<p>7. Site induction of contractors</p> <p>Before relevant contractors commence work, the Operator conducts site-specific induction training/briefings for the contractor, and all sub-contractors and employees.</p>	<input data-bbox="925 339 987 403" type="checkbox"/>	<p>Refer 2008 desktop audit.</p> <p>Have deficiencies been rectified?</p> <p>Documents: induction records</p> <p>Question to contractors: have you been inducted on site and what information was covered?</p> <p>Question to operator representative: How do you know that all contractors, including sub-contractors on site have undergone site induction?</p>	

ASSESSMENT CRITERIA	RATING	DOCUMENTS REVIEWED and QUESTIONS TO ASK	COMMENTS
<p>8. Monitoring of Contractors</p> <p>The Operator monitors the work activities of contractors to ensure their work activities are carried out in accordance with;</p> <ul style="list-style-type: none"> - the contractors' Safe Work Method Statement(s); and - parts of the Operator's HSMS relevant to the contractors' work activities; and - relevant OHS and CMHS Act & Regulation provisions. 	<input type="checkbox"/>	<p>Refer 2008 desktop audit.</p> <p>Have deficiencies been rectified?</p> <p>Document: records of contractor monitoring activities by operator.</p> <p>Question to person appointed by operator to monitor contractor activities:</p> <ul style="list-style-type: none"> • How do you monitor contractor activities? • Do you have a copy of the contractor's SWMS? • How frequently do you check the contracted works? • What actions do you take if you note a variance between the work being done and the SWMS or HSMS? 	

Appendix B – TEMPLATE ASSESSMENT REPORT

(insert name and address of coal operation)

Dear

REPORT ON HSMS ASSESSMENT

As a part of an industry-wide program, an assessment of the Contractor Management System of *(insert name of coal operation)* was undertaken on *(insert date of assessment field visit)* by *(insert name & position title of DPI Assessment Officer)*.

The assessment was undertaken using the DPI HSMS Assessment Checklist, which includes criteria reflecting relevant Coal Mine Health and Safety Act and Regulation provisions.

Please find attached a Report on the outcomes of this assessment. In particular, please note any areas indicated in the Report which indicate non-compliance with relevant legal provisions.

Also note that the result of this assessment is a reflection of the sampled documentation and individual persons questioned at the time of the assessment. As such, the result needs ongoing verification and review by the operator. The assessment result should not be taken as an endorsement of the system by the DPI.

A range of publications are available on DPI's website to provide guidance in developing and maintaining HSMSs which comply with relevant legal requirements;

Please direct any inquiries concerning this Report to *(insert name, position title and telephone and email contact details of the DPI Assessment Officer)*.

Yours sincerely

(insert name and position of officer conducting audit)

Attachment:

Copy of Assessment Worksheet for the Coal Operation