



LGAQ Conference 2021

National Self Insurance Audit Pitfalls

**Objectives, Measuring Performance and
Management of Change**



National Self Insurance Audit Tool V3.0

Yardstick used by the Office of Industrial Relations

Queensland Local Government experience

Numerous issues common to all Councils

SafePlan based systems have not evolved sufficiently

(larger and better resourced councils v smaller and more regional councils)

Proposed new LGW safety management system template



Common NAT auditing problems

Performance objectives are often poorly defined - not SMART ...

Councils often forget/fail to monitor progress towards achieving their objectives



Objectives are often described without consideration of corporate and operational risks. No evidence of regular or ongoing review of risks at various levels. Poor risk communication and review.

Failure to ensure specific health and safety objectives and measurable targets have been established for all relevant functions and levels within the organisation.

Councils can collectively consider improving the relationship between the objectives and targets identified in their Operational Plans and the objectives and targets applied to individual roles and KPI's. This will improve the visibility of top management's support for the OH&S management system. At the moment, safety performance KPI's for management representatives are largely missing or poorly defined.

Common NAT auditing problems

Most councils fail to consider and adequately address safety implications when attempting to manage change.



In some councils, greater weight is given to considerations such as cost / convenience / accessibility etc, without due consideration being given to health and safety specifications for the purchase of goods and services (e.g. selection of contractors, plant and equipment, chemicals).

The requirements have always been provided by the NAT (criteria 3.10.3, 3.10.4, 3.10.5, and 3.10.6) but never adequately addressed by any council safety management system based on Safe Plan.

ISO 45001 (clauses 6.1.1 planning for change 8.1.4 procurement and 8.1.3 management of change) mimics the existing NAT requirements but goes a little further by requiring the integration of occupational health and safety requirements at the earliest stage in the life cycle of facilities, equipment or process planning for facilities, relocation, process re-design or replacement of machinery and plant; — integrating occupational health and safety requirements at the earliest stage of planning for facilities relocation, process re-design or replacement of machinery and plant.

Common NAT auditing problems

Change management

Broadly speaking, change is not managed across Queensland's councils. Purchasing and procurement procedures, Engagement of contractors, Design/re-design of plant, equipment and facilities.



Poorly developed and documented change management processes generally – even though the requirement for change management has existed in the NAT for a long time.

Councils need a systematic process in which health and safety requirements are identified, evaluated and incorporated into purchasing decisions, with responsibility holders trained in risk management tools and methodology.

High correlation between smaller, more remote councils and poor compliance with change management expectations.

Common NAT auditing problems

All Councils could consider improving their documented processes for ensuring **temporary/casual/labor hire** worker health and safety performance is monitored.

Whilst most councils can provide some evidence of employee compliance monitoring against health and safety requirements, very few councils include temporary workers in the existing compliance monitoring processes.

Few, if any councils identify the inherently higher risk associated with use of temporary/labor hire workers. One of the new requirements of ISO45001 is that (A7.3) 'In addition to workers (especially temporary workers), contractors, visitors and any other parties should be aware of the OH&S risks to which they are exposed'.



Common NAT auditing problems

The organisation's purchasing documentation should clearly define the required health and safety specifications for the services being procured. Where contractors or labour hire workers are to be admitted to site, documentation should include, but not be limited to:

- elements of the health and safety management system to be implemented,
- reference to site specific health and safety risk provisions for health and safety induction, inspection, test or audit records, and
- reports indicating a review of health and safety performance.

In terms of the monitoring of temporary worker/labour hire worker performance, Criterion 3.10.4 of the NAT requires that:

- The type and extent of health and safety control exercised by management should be dependent upon health and safety risk factors and evidence of the supplier's previously demonstrated capacity and performance; and
- Records of contracted services health and safety conformance should be maintained.

Councils need to consider and react to the inherently higher risk of engaging temporary workers such as labor hire workers, particularly those engaged to work in more hazardous areas.

Common NAT auditing problems

Generally, council workplace inspection procedures (particularly those based on Safe Plan) do not specify the need for people conducting inspections to seek input and involvement from the personnel who are required to undertake the tasks being inspected.

Risk Registers. These are required by criterion 3.9.4 of the NAT (not specifically required by ISO45001) but.....it is hard to provide the documented information required by 45001 as evidence of hazard identification, assessment of OHS risks, and planning of action without risk registers. Issues on next page.

In terms of planning, and ensuring councils can satisfy requirements for planning under ISO45001, councils need to be aware that Planning is not a single event, but an ongoing process, anticipating changing circumstances and continually determining risks and opportunities (**regular review of risk registers etc**), both for the workers and for the OH&S management system. To this end, meaningful and regular reviews of risk registers (operational and corporate – in alignment with each other) are valuable.



"Well he certainly does a very thorough risk analysis."

Common NAT auditing problems

Thankfully, all councils have risk registers. Councils generally don't review risk registers regularly (monthly/quarterly) or with suitable rigor. When reviews occur, there is poor/little structure to the event, effectiveness of controls is not reviewed, changing circumstances or requirements of interested parties (and a host of other issues) are not considered as part of these reviews when and if they occur.

Audit and Risk silos (governance focus) tend to be disconnected from the safety function resulting in poor representation of, or documentation of OHS risks at corporate level.

The organization shall maintain documented information on: — risks and opportunities; — the process(es) and actions needed to determine and address its risks and opportunities (see 6.1.2 to 6.1.4 of 45k) to the extent necessary to have confidence that they are carried out as planned.

Risk register reviews do not normally consider the organisational context (hazard profile), interested parties (legal and other requirements), external and internal issues, or risks and opportunities associated with these. Nor are there processes in place to ensure appropriate/regular reviews of the risk registers as a meaningful part of council(s) process for continual improvement.



Thank You

Any questions?