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# MP 1

## Internal Audit Planning Conducting and Reporting Management Procedure

### Revision list


Revision No.	Description	Written By/Revised By	Date
0	First issue	C. Abela	01.10.2010
1	Modified MP to current Auditing practices	R. Tabone	05.07.2013
2	Modified MP to current Auditing Practices	R. Tabone, E. Borg	21.05.2014
3	Included the SMS at DPS within the scope and the checklist for carrying out the SMS audits	P. Conti, S. Scicluna	07.04.2016

Revised by:  [Signed] P. Conti Environmental and Safety Coordinator	Verified by:  [Signed] F. Marsh Auditor  [Signed] M. Falzon Head of Health & Safety	Approved by:  [Signed] S. Scicluna EMS Management Representative
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## 1 Aim and Scope

The objective of the procedure is to define responsibilities and detailed rules used by ENE to plan, conduct and report the internal Environmental Management System audit and the Safety Management System audit according to the Seveso III Directive.


### EMS Scope

The procedure is applicable to all ENE activities within the EMS scope. All environmental critical elements will be covered in all Enemalta sites.

### SMS Scope

The procedure is applicable to all ENE activities at Delimara site within the SMS scope and with specific reference to the safety critical elements listed below:

EQUIPMENT	CRITICAL ELEMENTS
QUAY / TANKERS / MOORING	MOORINGS SIMULTANEOUS OPERATIONS
FO/DO UNLOADING	ARM HOSE
PIPELINES	RELIEF VALVE PIPE BRIDGES AND OTHER PIPELINES
TANK	HIGH LEVEL TRANSMITTER
PUMPS / TRANSFER OPERATIONS	PRESSURE TRANSMITTER PSV
D3 CENTRIFUGES / D2 CENTRIFUGES / TREATMENT	PRESSURE TRANSMITTER OVERSPEED TRANSMITTER TEMPERATURE TRANSMITTER
COMBUSTION / ENGINES / BOILER	PSV PRESSURE TRANSMITTER TEMPERATURE TRANSMITTER GAS DETECTION OVERSPEED TRANSMITTER VIBRATION TRANSMITTER
INTERCEPTORS	INTERCEPTOR
OTHER CHEMICALS	NO RELEVANT CRITICAL ELEMENTS
FIRE DETECTION / FIRE FIGHTING	EXTINGUISHERS ALARM TRANSMITTER DELUGE/SPRINKLERS HYDRANTS FIRE HOSES PUMPS FIRE DOORS GAS FIXED SYSTEM BREATHING APPARATUS OTHER PORTABLE FIRE EQUIPMENT Fire walls / barriers

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## 2 References


EN ISO 14001:2004 Clause 4.5.5

OHSAS 18001:2007 Clause 4.5.5

SEVESO III Directive

## 3 Terms and Definitions

<b>Audit plan</b>	Description of activities to be carried out in a specific audit
<b>Audit program</b>	Group of several audits planned over a defined period of time, addressed for a specific aim
<b>Audit team</b>	Group of persons charged to carry out an audit
<b>Auditor</b>	Person competent to conduct an audit. The persons conducting the audit should be competent and in a position to do so impartially and objectively
<b>E&amp;SC</b>	Environmental and Safety Coordinator
<b>ENE</b>	Enemalta plc.
<b>EMS</b>	Environmental Management System
<b>ER</b>	Environmental Representative
<b>ERP</b>	Emergency Response Personnel
<b>Establishment</b>	The whole location under the control of an operator where dangerous substances are present in one or more installations, including common or related infrastructures or activities
<b>Installation</b>	Technical unit within an establishment and whether at or below ground level, in which dangerous substances are produced, used, handled or stored; it includes all the equipment, structures, pipework, machinery, tools, private railway sidings, docks, unloading quays serving the installation, jetties, warehouses or similar structures, floating or otherwise, necessary for the operation of that installation
<b>Internal audit</b>	<p>Systematic, independent and documented process to obtain audit evidence, and through objective evaluation determines the extent to which the safety management system audit criteria, set by the organization are fulfilled</p> <p>Note 1: Auditor independence can be demonstrated by an auditor being free from responsibility for the activity being audited</p> <p>Note 2: Internal audit is a process which enables sharing of experience and improves the effectiveness of the workings of the organisation</p>
<b>Lead auditor</b>	Responsible of the audit team
<b>MAPP</b>	Major Accident Prevention Policy
<b>Nonconformity</b>	Non-fulfilment of a requirement

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<b>Operator</b>	Any natural or legal person who operates or controls an establishment or installation or, where provided for by national legislation, to whom the decisive economic or decision-making power over the technical functioning of the establishment or installation has been delegated;
<b>SMS</b>	Safety Management System– this applies only for Delimara Power Station and related Administration
<b>SR</b>	Safety Representative
<b>SOP</b>	Standard Operating Procedure: An established written procedure to be followed by ENE staff, providing technical and organisational requirements to perform a specific activity

## 4 Responsibilities

### Management representative (MR):

- approves the audit program
- provides resources for the audit program. These resources could include human resources, transport, co-operation from interviewed persons, etc

### Environmental and Safety Coordinator (E&SC):

- co-ordinates together with the lead auditor to evaluate the effectiveness of actions taken following nonconformity. The E&SC signs off the action plan when all actions are completed

### Lead Auditor:


Based on data collected from past audits and the non-conformities identified, and taking into consideration ENE's exigencies, the lead auditor shall consult with the E&SC and EMS and/or SMS team to develop a rationalised program intended to result in improved environmental and safety performance. The lead auditor:

- prepares the audit program and submits it to the MR;
- ensures that the audits are being carried out according to the audit program;
- coordinates the audits within the audit program;
- identifies the members of the audit team;
- defines the audit conclusions and issues the audit report;
- where necessary, issues an action plan.

### Environmental representative (ER):

- supports the Lead Auditor in carrying out the environmental audit program (participating in audits and following up on audit report).

### Safety representative (SR):

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- supports the Lead Auditor in carrying out the safety audit program (participating in audits and following up on audit report).

#### **Auditors:**

- assist the Lead Auditor during the audits.

#### **Audit Team:**

- The persons forming part of the audit team may include personnel from the Regulatory Affairs Office, who are all qualified as internal auditors, persons from the Health & Safety Department who all have experience in health and safety and auditing or persons from management who have experience in the departments or documents being audited.

#### **Interviewed Persons:**

- The interviewed persons will be either the site responsible persons or the document responsible persons, or any other person nominated by them.

## **5 Frequency**

An annual audit program shall be prepared by the lead auditor taking into account:

- the importance of the safety aspects of the areas to be audited;
- the results of the previous audit program;
- any specific request coming from an internal or external party.

The frequency of the audits can be determined as follows:


- Sections/areas with high safety impact may be audited at least annually;
- Sections/areas with very low safety impact may be audited once every two years.

## **6 Detailed procedural rules**

### **6.1 Audit program**

The objectives of the audit program are to:

- assess the degree of implementation of all the SMS and EMS documents and procedures, included in the major accident prevention policy;

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- assess the effectiveness of ENE SMS and EMS to implement the major accident prevention policy and to achieve objectives and targets;
- assess the SMS and EMS capability to grant compliance with legal requirements;
- identify areas for SMS and EMS improvement

The audit program shall be defined for each area of the organisation as per SMS and EMS scope:

- the month of the year when the audit shall be conducted;
- the status of the audit (i.e. planned, conducted)

The audit program shall be approved by the MR in order to provide the requested resources.

## 6.2 Auditors

The lead auditor shall identify internal or external audit team members according to the following requirements:

### Lead auditor requirements:


- Three years' experience in environmental/safety activities;
- Three years' experience in ENE activities or in electrical energy production from fossil fuels;
- Ownership of a specific safety auditor certification/qualification;
- Experience in conducting audits in the role of responsible of the audit.

### Auditor requirements:

- One year experience in environmental/ safety activities;
- One year experience in ENE activities or in electrical energy production from fossil fuels;
- Attendance to a specific auditor training course or having a specific safety auditor certification / qualification;
- Experience in conducting at least two internal audits under the leadership of a lead auditor.

### Audit Team

- If lead auditor does not have the required the three years' experience, at least one member of the audit team should have the required criteria. This could be a person from management who has the required experience who will assist the lead auditor during the audit preparation and/or the audit execution. If this is not satisfied an external auditor must be outsourced to conduct that specific audit.

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## Planning audits

The lead auditor shall plan the audit as follows:

- Analyses the SMS and EMS documents relevant for the audit scope;
- Provides specific tasks to all audit team members;
- Decides if checklists or other tools and / or records are required for the audit.

The lead auditor shall prepare the audit plan for the specific audit, where necessary. The audit plan should define:

- The audit date, starting time and duration;
- Names and roles of the audit team members;
- The audit objectives;
- The audit scope: Areas / Sections to be audited; ENE activities to be audited;
- The locations to be visited;
- Persons to be contacted.

The lead auditor shall inform all those concerned, including the E&SC of the audit by email in advance.


## 6.3 Conducting audits

The audit team shall conduct the audit under the coordination and responsibility of the lead auditor by:

- Visiting working areas and places;
- Referring to relevant procedures and documents;
- Checking of records, forms, etc
- Interviewing people working within the audit scope;
- Analysing processes and activities.

All the above mentioned audit activities are to be addressed to find evidence that can demonstrate the conformity and/or nonconformity to the SMS and/or EMS procedures, SOPs and other documents.



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#### 6.4.1 Conducting an SMS Audit

A total of 161 SMS items shall be evaluated (See Annexure 1 for a Internal Audit checklist) and classified according to the following categories: NA: Not applies; C: Correct; MINOR: Low level omission - To be corrected before next inspection; MAJOR: Mandatory - Non legal compliance; SERIOUS: Mandatory - Major or imminent risk.

The following formula shall be applied to define the final evaluation of the SMS:

$$SMS_{Audit} = \frac{161 - (N.A. + MINOR + 3 * MAJOR + 10 * SERIOUS)}{161 - N.A.}$$

The SMS shall be considered correct, comprehensive and implemented whenever:

$$SMS_{Audit} \geq 0.90$$

The SMS shall be amended and improved whenever:

$$SMS_{Audit} \geq 0.75$$

The SMS shall be considered deficient and/or not correctly implemented whenever:


$$SMS_{Audit} \leq 0.75$$

This evidence will be documented in a draft audit report which is subsequently forwarded to the auditors and auditees for their comments to come up with a final audit report. This report will identify good work practices as well as non conformities and recommendations.

The audit team will check if training activities were successful to change the behaviour of ENE employees with regards to environmental issues. If not, the audit report will point out this fact in order to allow for further training or any other action deemed necessary.

#### 6.4.2 Conducting an EMS Audit

This auditing is similar to SMS auditing and most of these audits will be done in conjunction with the SMS audits. Reporting will be done in a single document.

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#### **6.4 Audit reporting**

Following each audit, the lead auditor shall prepare an audit report which may contain the following information:

- persons interviewed
- a summary of the audit activities carried out;
- the list of nonconformities and/or recommendations including a description of the situation and of the reasons for the nonconformity/recommendation;
- a remark on any difficulty encountered during the audit, including any lack of agreement on the audit conclusions;
- any area which was not covered during the audit;
- strong and weak areas;
- a non disclosure claim by audit team members (external);
- the distribution list of the audit report.


The lead auditor will issue the audit report listing the non-conformities identified during the audit and any recommendations deemed fit to be implemented in order to improve the process/site being audited. The audit details and audit report are registered in audits section in the SMS database. Any nonconformities or recommendations are recorded in the Non Conformance Register.

## **7 Related documents**

Audit programme

Non-Conformance Register

Internal Audit Checklist - See Annexure

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## 8 Annexure

**Annexure 1.-'Internal Audit - Check-list'**

	Data	Review and Document Date
<b>Company:</b>  <b>Address:</b>  <b>Telephone:</b>  <b>Manager:</b>  <b>Emergency Responsible/Emergency Coordinator:</b>  <b>DATE, AUDITOR SIGNATURE AND STAMP</b>	<b>MAPP</b>  <b>SMS</b>  <b>ERP</b>	

GENERAL REQUIREMENTS	OBSERVATIONS
AUDITOR TEAM COMMENTS AND NON-CONFORMITIES	



RESULTS	ITEMS	NA	C	MINOR	MAJOR	SERIOUS	CONCLUSION
MAPP	5						
ORGANISATION AND PERSONNEL	17						
IDENTIFICATION AND EVALUATION OF MAJOR HAZARDS	33						
OPERATIONAL CONTROL	32						
MANAGEMENT OF CHANGES	24						
PLANNING OF EMERGENCIES	16						
MONITORING PERFORMANCE	19						
AUDIT AND REVIEW	15						

NA: Not applies

C: Correct

MINOR: Low level omission. To be corrected before next inspection.

MAJOR: Mandatory. Non legal compliance

SERIOUS: Mandatory. Major or imminent risk

**CONCLUSIONS:**

FAVORABLE: Only C

FAVORABLE WITH NON- CONFORMITIES: Only C, MINOR

UNFAVORABLE: MAJOR or SERIOUS

DISRUPTION: SERIOUS with imminent risk

[illegible]

[illegible]



1. ORGANISATION AND PERSONNEL		NA	YES	NO	OBSERVATIONS	EVALUATION				
						NA	C	MINOR	MAJOR	SERIOUS
DOCUMENTS CONSULTED										
1	The dedicated safety management functional structure corresponds to the one included in the SMS documentation									
2	The SMS responsible is sufficiently qualified and has access to the top management of the establishment.									
	The SMS responsible covers the following aspects									
	- Ensure the establishment, implementation and maintenance of the SMS procedures									
	- Reporting to top management about the SMS and needs improvement									
	- Access to the establishment management without intermediate steps									
	- Responsible managers meets periodically with Direction									





1. ORGANISATION AND PERSONNEL		NA	YES	NO	OBSERVATIONS	EVALUATION				
						NA	C	MINOR	MAJOR	SERIOUS
3	The organisation’s structure is included and contains:									
	- an appropriate structure for the management of safety									
	- broad safety and health responsibilities									
	- reporting lines									
4	The safety management area is sufficiently independent									
5	Safety and health policy intent has been communicated to all personnel associated with the project									
6	All personnel are informed of their roles, responsibilities and accountabilities									
7	Key personnel have signed off on their understanding of their safety and health roles, responsibilities and accountabilities									
8	Interface between key personnel is clearly defined									
9	Responsibilities and accountabilities are regularly reviewed and in line with organisational changes									
10	Safety and health responsibilities and accountabilities of all personnel align with their skills and training									

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1. ORGANISATION AND PERSONNEL		NA	YES	NO	OBSERVATIONS	EVALUATION				
						NA	C	MINOR	MAJOR	SERIOUS
	- Safety management system reviews									
15	There are mechanisms for involving personnel in:									
	- Development and implementation of safety and health policy and procedures									
	- Identification and management of hazards and risk									
	- preparation of the SMS									
16	There are both formal and informal instruments to ensure effective communication of safety and health information to all personnel									
17	Safety and health roles, responsibilities and accountabilities are reviewed regularly and when organisational change occurs									

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2. IDENTIFICATION & EVALUATION OF MAJOR HAZARDS		NA	YES	NO	OBSERVATIONS	EVALUATION				
						NA	C	MINOR	MAJOR	SERIOUS
	- unplanned events									
	- incidents									
	- organisational structure									
	- environment									
	- legislation									
6	The HAZID / HAZOP process includes:									
	- scope and objectives									
	- personnel with detailed knowledge of work processes and practical experience									
	- available and required information and records included from previous projects									
	- assumptions made as part of the process, and validation of these assumptions									
	- interaction of work parties, stakeholders, processes, plant and environment									



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5. PLANNING FOR EMERGENCIES				NA	YES	NO	OBSERVATIONS	EVALUATION				
								NA	C	MINOR	MAJOR	SERIOUS
DOCUMENTS CONSULTED												
1	The project emergency response plan:											
	- assigns roles and responsibilities for key personnel											
	- assigns an emergency coordinator											
	- details implementation and training											
	- defines emergency events and situations											
	- includes procedures for specific emergencies											
	- details an emergency drills schedule, including type and duration											

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