

AUDIT PROCEDURE

1. PURPOSE

This procedure explains how to plan and carry out audits. Audits provide reasonable assurance regarding the achievement of the following:

- ✓ Effectiveness and efficiency of policies and procedures
- ✓ Compliance with own procedures and practices as well as the statutory and regulatory requirements
- ✓ Quality assurance improvement.
- ✓ Identify gaps in the management system and get input from auditee for full preventive action

2. SCOPE

The scope of the procedure includes the following activities:

- ✓ Member audits
- ✓ Professional Development Partner audits

3. RESPONSIBILITIES

The responsibility for implementing the requirements of this procedure rests with the National Executive Committee, Auditing Persons, and the Audit Committee.

4. DEFINITIONS

“Audit” Systematic and formal comparison of documentation and practice against requirements, performed for the purpose of finding areas of nonconformity or opportunities for improvement.

“Audit Programme” arrangement of a set of one or more audits planned for a specific period and directed towards a specific purpose

“Audit Scope” the extent and boundaries of an audit

“Audit Plan” description of the activities and arrangements of an audit

“Audit Criteria” set of requirements used as a reference against which objective evidence is compared

“Audit Evidence” records, statements of fact or other information, which are relevant to the audit criteria and verifiable

“Audit Finding” results of the evaluation of the collected audit evidence against audit criteria

“Audit Client” Trade Member Company/ Professional Development Partner or person requesting or receiving an audit

“Audit team” one or more persons conducting an audit, supported if needed by technical experts

“Technical Expert” “<audit> person who provides specific knowledge or expertise to the audit team
Observer – individual who accompanies the audit team but does not act as in auditor

“Management System” set of interrelated or interacting elements of an organization to establish policies and objectives, and processes to achieve those objectives

“Risk” effect of uncertainty (effect being a deviation from the expected and uncertainty the state, even partial, of deficiency of information relating to, understanding or knowledge of, an event, its consequence and likelihood)

“Conformity” fulfilment of a requirement

“Nonconformity” non-fulfilment of a requirement

“Competence” ability to apply knowledge and skills to achieve intended results

“Requirements” need or expectation that is stated, implied or obligatory

“Process” set of interrelated or interacting activities that use inputs to deliver an intended result

“Performance” measurable results

“Effectiveness” extent to which planned activities are realized and planned results achieved

5. AUDITING PRINCIPALS

Auditing is characterized by reliance on a number of principles. These principles help to make the audit an effective and reliable tool in support of management policies and controls, by providing information on which an organization can act in order to improve its performance. Adherence to these principles is a prerequisite for providing audit conclusions that are relevant and sufficient, and for enabling auditors, working independently from one another, to reach similar conclusions in similar circumstances.

5.1. Integrity

Integrity is the foundation of professionalism. The appointed auditor will:

- ✓ Perform their work ethically, with honesty and responsibility;
- ✓ Only undertake audit activities if competent to do so;
- ✓ Perform their work in an impartial manner, i.e. remain fair and unbiased in all their dealings;
- ✓ Be sensitive to any influences that may be exerted in their judgement while carrying out an audit

5.2. Fair Presentation

Audit findings, audit conclusions and audit reports will reflect truthfully and accurately the audit activities. Significant obstacles encountered during the audit and unresolved diverging opinions between the auditor and the auditee will be reported. The communication shall be truthful, accurate, objective, timely, clear and complete.

5.3. Due Professional Care

Due care will be exercised in accordance with the importance of the task they perform, and the confidence placed in them by the audit client and other interested parties. An important factor is the ability to make reasoned judgements in all audit situations

5.4. Confidentiality

Auditors will exercise discretion in the use and protection of information acquired in the course of their duties. Audit information will not be used inappropriately for personal gain by the auditor or the audit client, or in a

manner detrimental to the legitimate interests of the auditee. This concept includes the proper handling of sensitive or confidential information. No information will be shared with any party other than the management of both the IWH as well as the company being audited.

5.5. Independence

Auditors will be independent of the activity being audited wherever practicable and will in all cases act in a manner that is free from bias and conflict of interest. Auditors will maintain objectivity throughout the audit process to ensure that the audit findings and conclusions are based only on the audit evidence.

5.6. Evidence-based approach

Audit evidence will be verifiable. It will be based on samples of the information available, since an audit is conducted during a finite period of time and with finite resources. An appropriate use of sampling will be applied, since this is closely related to the confidence that can be placed in the audit conclusions.

5.7. Risk-based approach

The risk-based approach will substantively influence the planning, conducting and reporting of audits in order to ensure that audits are focused on matters that are significant for the audit client, and for achieving the audit programme objectives.

6. AUDIT PROGRAMMES

An audit programme will be established by the IWH on an annual basis and amended as and when required.

In order to understand the context of the auditee, the audit programme will consider the auditee's:

- ✓ Organizational objectives;
- ✓ Relevant external and internal issues;
- ✓ The needs and expectations of relevant interested parties;
- ✓ Information security and confidentiality requirements.

The audit programme will include information and identify resources to enable the audits to be conducted effectively and efficiently within the specified time frames. The information will include but is not limited to:

- a) Objectives for the audit programme;
- b) Risks and opportunities associated with the audit programme and the actions to address them;
- c) Scope (extent, boundaries, locations) of each audit within the audit programme;
- d) Schedule (number/duration/frequency) of the audits;
- e) Audit types, such as 2nd party audits
- f) Audit criteria;
- g) Audit methods to be employed;
- h) Criteria for selecting audit team;
- i) Relevant documented information.

The implementation of the audit programme will be monitored and measured on an ongoing basis to ensure its objectives have been achieved. The audit programme will be reviewed in order to identify needs for changes and possible opportunities for improvements.

7. AUDIT PROGRAMME OBJECTIVES

Audit programme objectives will be consistent with the audit client's strategic direction and support

management system policy and objectives.

These objectives can be based on consideration of the following:

- a) Needs and expectations of relevant interested parties, both external and internal;
- b) Characteristics of and requirements for processes, products, services and projects, and any changes to them;
- c) Management system requirements;
- d) Need for evaluation of external providers;
- e) Auditee's level of performance and level of maturity of the management system(s), as reflected in relevant performance indicators (e.g. KPIs), the occurrence of nonconformities or incidents or complaints from interested parties;
- f) Identified risks and opportunities to the auditee;
- g) Results of previous audits.

8. ROLES AND RESPONSIBILITIES

The Auditor is responsible for the following audit procedures:

- a) establish the extent of the audit programme according to the relevant objectives and any known constraints;
- b) determine the external and internal issues, and risks and opportunities that can affect the audit programme, and implement actions to address them, integrating these actions in all relevant auditing activities, as appropriate;
- c) ensuring the selection of audit teams (where applicable) and the overall competence for the auditing activities by assigning roles, responsibilities and authorities, and supporting leadership, as appropriate;
- d) establish all relevant processes including processes for:
 - ✓ the coordination and scheduling of all audits within the audit programme;
 - ✓ the establishment of audit objectives, scope(s) and criteria of the audits, determining audit methods and selecting the audit team;
 - ✓ evaluating auditors;
 - ✓ the establishment of external and internal communication processes, as appropriate;
 - ✓ the resolutions of disputes and handling of complaints;
 - ✓ audit follow-up if applicable;
 - ✓ Reporting to the audit client and relevant interested parties, as appropriate.
- e) determine and ensure provision of all necessary resources;
- f) ensure that appropriate documented information is prepared and maintained, including audit programme records;
- g) monitor, review and improve the audit programme;
- h) Communicate the audit programme to the audit client and, as appropriate, relevant interested parties.

The audit programme will be approved by the IWH and the audit client.

8.1. Auditor Competency

The auditor will have the necessary competence to manage the audit programme and its associated risks and opportunities and external and internal issues effectively and efficiently, including knowledge of:

- a) audit principles, methods, and processes;
- b) management system standards, other relevant standards, and reference/guidance documents;
- c) information regarding the auditee and its context (e.g. external/internal issues, relevant interested parties and their needs and expectations, business activities, products, services, and processes of the auditee);
- d) Applicable statutory and regulatory requirements and other requirements relevant to the business activities of the auditee.

As appropriate, knowledge of risk management, project and process management, and information and communications technology may be considered.

Auditors will engage in appropriate continual development activities to maintain the necessary competence to manage the audit programme.

The following determining factors can be used for the verification of auditors' competencies:

- ✓ Type of audit experience
- ✓ Personal behaviour
- ✓ Knowledge and skills
- ✓ Audit Qualifications

Were the audit criteria falls outside the experience of the auditor, the auditor will be allowed to approach a subject matter expert within the specific chamber. This subject matter expert will be required to have the following experience as a minimum:

8.1.1. Minimum Chamber Subject Matter Expert Requirements

Fall Prevention Chamber:

- A. Approved member of the IWH
- B. 5 Year Fall Arrest Experience
- C. Fall Arrest Supervisor

Rope Access Chamber:

- A. Approved member of the IWH
- B. 5 Year Rope Access Experience
- C. Rope Access Supervisor

Scaffold Chamber:

- A. Approved member of the IWH
- B. 5 Year Scaffold Experience
- C. Scaffold Supervisor

Falsework Chamber:

- A. Approved member of the IWH
- B. 5 Year Falsework Experience

Mobile Elevated Working Platforms

- A. Approved member of the IWH
- B. 5 Year MEWP Experience

Suspended Access Equipment

- A. Approved member of the IWH

B. 5 Year SAE Experience

Ladders and Access Towers

- A. Approved member of the IWH
- B. 5 Year Ladder and Access Tower Experience

9. AUDIT PLANNING AND COORDINATION

Audit planning and coordination will include but is not limited to the following;

- a) Communicating the relevant parts of the audit programme, including the risks and opportunities involved, to relevant interested parties and inform them periodically of its progress, using established external and internal communication channels;
- b) Define objectives, scope, and criteria for each individual audit;
- c) Select audit methods;
- d) Coordinate and schedule audits and other activities relevant to the audit programme;
- e) Ensure the audit teams have the necessary competence;
- f) Provide necessary individual and overall resources to the audit teams;
- g) Ensure the conduct of audits in accordance with the audit programme, managing all operational risks, opportunities, and issues (i.e. unexpected events), as they arise during the deployment of the programme;
- h) Ensure relevant documented information regarding the auditing activities is properly managed and maintained;
- i) Define and implement the operational controls necessary for audit programme monitoring;
- j) Review the audit programme in order to identify opportunities for its improvement.

9.1. Objectives, scope and criteria

Each individual audit will be based on defined audit objectives, scope and criteria. These will be consistent with the overall audit programme objectives.

9.2. Objective

The audit objectives define what is to be accomplished by the individual audit and may include the following:

- a) determination of the extent of conformity of the management system to be audited, or parts of it, with audit criteria;
- b) evaluation of the capability of the management system to assist the organization in meeting relevant statutory and regulatory requirements and other requirements to which the organization is committed;
- c) evaluation of the effectiveness of the management system in meeting its intended results;
- d) identification of opportunities for potential improvement of the management system;
- e) evaluation of the suitability and adequacy of the management system with respect to the context and strategic direction of the auditee;
- f) Evaluation of the capability of the management system to establish and achieve objectives and effectively address risks and opportunities, in a changing context, including the implementation of the related actions.

9.3. Scope

The audit scope will be consistent with the audit programme and audit objectives. It includes such factors as locations, functions, activities and processes to be audited, as well as the time period covered by the audit.

9.3.1. Criteria

The audit criteria are used as a reference against which conformity is determined. These may include one or more of the following: applicable policies, processes, procedures, performance criteria including objectives, statutory and regulatory requirements, management system requirements, information regarding the context and the risks and opportunities as determined by the auditee (including relevant external/internal interested parties' requirements), sector codes of conduct or other planned arrangements.

In the event of any changes to the audit objectives, scope or criteria, the audit programme will be modified if necessary and communicated to interested parties, for approval if appropriate.

9.4. Audit Type

Part of the audit plan will include the audit type to be performed.

The IWH will perform one of the following audits;

- ✓ 2nd Party Audit – to be done at the initial application phase and prior to approval of a new member company
- ✓ Annual Audit – this audit will be conducted on existing members, on an annual basis to ensure continual improvement and development of their systems and compliance
- ✓ Audit on Demand – completed on companies, either a member or a non-member, requesting the IWH for an audit as part of a gap analysis on conformance or continual improvement

9.5. Audit Team Members

The IWH will from time to time, have to appoint members for a specific audit as part of the team, including the team leader and any technical experts needed for the specific audit.

An audit team will be selected, considering the competence needed to achieve the objectives of the individual audit within the defined scope. If there is only one auditor, the auditor will perform all applicable duties of an audit team leader.

To assure the overall competence of the audit team, the following steps will be performed:

- ✓ identification of the competence needed to achieve the objectives of the audit;
- ✓ Selection of the audit team members so that the necessary competence is present in the audit team.

If the necessary competence is not covered by the auditors in the audit team, technical experts with additional competence will be made available to support the team.

Auditors-in-training may be included in the audit team but will participate under the direction and guidance of an auditor.

Changes to the composition of the audit team may be necessary during the audit, e.g. if a conflict of interest or competence issue arises. If such a situation arises, it will be resolved with the appropriate parties (e.g. audit team leader, the IWH, audit client or auditee) before any changes are made.

9.6. Audit Information

To ensure effective conduct of the audit the following information will be provided to the audit team leader prior to the audit commencing:

- a) audit objectives;
- b) audit criteria and any relevant documented information;
- c) audit scope, including identification of the organization and its functions and processes to be audited;
- d) audit processes and associated methods;
- e) composition of the audit team;
- f) contact details of the auditee, the locations, time frame and duration of the audit activities to be conducted;
- g) resources necessary to conduct the audit;
- h) information needed for evaluating and addressing identified risks and opportunities to the achievement of the audit objectives;
- i) Information which supports the audit team leader(s) in their interactions with the auditee for the effectiveness of the audit programme.

This information will also include but is not limited to the following:

- a) working and reporting language of the audit where this is different from the language of the auditor or the auditee, or both;
- b) audit reporting output as required and to whom it is to be distributed;
- c) matters related to confidentiality and information security, as required by the audit programme;
- d) any health, safety and environmental arrangements for the auditors;
- e) requirements for travel or access to remote sites;
- f) any security and authorization requirements;
- g) any actions to be reviewed, e.g. follow-up actions from a previous audit;
- h) Coordination with other audit activities, e.g. when different teams are auditing similar or related processes at different locations or in the case of a joint audit.

10. AUDIT RESULTS

The following audit results will be achieved:

- a) evaluation of the achievement of the objectives for each audit;
- b) review and approval of audit reports regarding the fulfilment of the audit scope and objectives;
- c) review of the effectiveness of actions taken to address audit findings;
- d) distribution of audit reports to relevant interested parties;
- e) Determination of the necessity for any follow-up audit.

11. AUDIT RECORDS

The IWH will ensure that audit records are generated, managed and maintained to demonstrate the implementation of the audit programme. Policies are established to ensure that any information security and confidentiality needs associated with the audit records are addressed.

Records can include the following:

- a) Records related to the audit programme, such as:
 - ✓ schedule of audits;
 - ✓ audit programme objectives and extent;
 - ✓ those addressing audit programme risks and opportunities, and relevant external and internal issues;
 - ✓ Reviews of the audit programme effectiveness.
- b) Records related to each audit, such as:
 - ✓ audit plans and audit reports;

- ✓ objective audit evidence and findings;
- ✓ nonconformity reports;
- ✓ corrections and corrective action reports;
- ✓ Audit follow-up reports.

- c) Records related to the audit team:
- ✓ competence and performance evaluation of the audit team members;
 - ✓ criteria for the selection of audit teams and team members and formation of audit teams;
 - ✓ Maintenance and improvement of competence.

12. MONITORING AUDITS

The monitoring of audits will include the evaluation of:

- a) whether schedules are being met and audit programme objectives are being achieved;
- b) the performance of the audit team members including the audit team leader and the technical experts;
- c) the ability of the audit teams to implement the audit plan;
- d) feedback from audit clients, auditees, auditors, technical experts and other relevant parties;
- e) Sufficiency and adequacy of documented information in the whole audit process.

13. REVIEW AND IMPROVEMENT OF AUDITS

Feedback received from the review of audits will be used as inputs for the improvement of audits:

The review will include factors such as:

- a) review of the overall implementation of the audit programme;
- b) identification of areas and opportunities for improvement;
- c) application of changes to the audit programme if necessary;
- d) review of the continual professional development of auditors;
- e) Reporting of the results of the audit programme and review with the audit client and relevant interested parties, as appropriate.

Improvement inputs will consider the following;

- a) results and trends from audit programme monitoring;
- b) conformity with audit programme processes and relevant documented information;
- c) evolving needs and expectations of relevant interested parties;
- d) audit programme records;
- e) alternative or new auditing methods;
- f) alternative or new methods to evaluate auditors;
- g) effectiveness of the actions to address the risks and opportunities, and internal and external issues associated with the audit programme;
- h) Confidentiality and information security issues relating to the audit programme.

14. AUDIT FUNDING

As the audits of members are an integral part of ensuring conformance to the requirements and ensuring the compliance of members the audit funding will be allocated as follows;

- ✓ 2nd party audits – costs will form part of the membership fee and payable by member
- ✓ Annual audits – costs will be covered by the IWH for existing members
- ✓ Audits on demand – costs will be for the account of the company requesting the audit

15. AUDIT CONDUCT

15.1. Audit Initiation

The responsibility for conducting the audit remains with the assigned audit team leader until the completion of the audit.

The below structure will be initiated for an audit but can differ depending on the auditee, processes and specific circumstances of the audit.

15.1.1. Auditee Contact

The auditor will ensure that contact is made with the auditee to:

- a) confirm communication channels with the auditee's representatives;
- b) confirm the authority to conduct the audit;
- c) provide relevant information on the audit objectives, scope, criteria, methods and audit team composition, including any technical experts;
- d) request access to relevant information for planning purposes including information on the risks and opportunities the organization has identified and how they are addressed;
- e) determine applicable statutory and regulatory requirements and other requirements relevant to the activities, processes, products and services of the auditee;
- f) confirm the agreement with the auditee regarding the extent of the disclosure and the treatment of confidential information;
- g) plan for the audit including the schedule;
- h) determine any location-specific arrangements for access, health and safety, security, confidentiality or other;
- i) agree on the attendance of observers and the need for guides or interpreters for the audit;
- j) determine any areas of interest, concern or risks to the auditee in relation to the specific audit;
- k) Resolve issues regarding composition of the audit team with the auditee or audit client.

15.1.2. Feasibility of Audit

The feasibility of the audit will be determined to provide reasonable confidence that the audit objectives can be achieved.

The determination of feasibility will take into consideration factors such as the availability of the following:

- a) sufficient and appropriate information for planning and conducting the audit;
- b) adequate cooperation from the auditee;
- c) Adequate time and resources for conducting the audit.

Where the audit is not feasible, an alternative will be proposed to the audit client, in agreement with the auditee.

15.1.3. Audit Planning

The scale and content of the audit planning can differ, for example, between initial and subsequent audits, as well as between internal and external audits. Audit planning will be sufficiently flexible to permit changes which can become necessary as the audit activities progress.

Audit planning will address or reference the following:

- a) the audit objectives;
- b) the audit scope, including identification of the organization and its functions, as well as processes to be audited;
- c) the audit criteria and any reference documented information;
- d) the locations (physical and virtual), dates, expected time and duration of audit activities to be conducted, including meetings with the auditee's management;
- e) the need for the audit team to familiarize themselves with auditee's facilities and processes (e.g. by conducting a tour of physical location(s), or reviewing information and communication technology);
- f) the audit methods to be used, including the extent to which audit sampling is needed to obtain sufficient audit evidence;
- g) the roles and responsibilities of the audit team members, as well as guides and observers or interpreters;
- h) The allocation of appropriate resources based upon consideration of the risks and opportunities related to the activities that are to be audited.

Audit planning will consider, as appropriate:

- ✓ identification of the auditee's representative(s) for the audit;
- ✓ the working and reporting language of the audit where this is different from the language of the auditor or the auditee or both;
- ✓ the audit report topics;
- ✓ logistics and communications arrangements, including specific arrangements for the locations to be audited;
- ✓ any specific actions to be taken to address risks to achieving the audit objectives and opportunities arising;
- ✓ matters related to confidentiality and information security;
- ✓ any follow-up actions from a previous audit or other source(s) e.g. lessons learned;
- ✓ any follow-up activities to the planned audit;
- ✓ Coordination with other audit activities, in case of a joint audit.

Audit plans will be presented to the auditee. Any issues with the audit plans will be resolved between the auditor, the auditee and, if necessary, the IWH.

15.1.4. Documented Information Required

The audit team members will collect and review the information relevant to their audit assignments and prepare documented information for the audit, using any appropriate media.

The documented information for the audit can include but is not limited to:

- ✓ physical or digital checklists;
- ✓ audit sampling details;
- ✓ Audio visual information.

The use of these media will not restrict the extent of audit activities, which can change as a result of information collected during the audit.

Documented information prepared for, and resulting from, the audit will be retained at least until audit completion, or as specified in the audit programme. Documented information created during the audit process involving confidential or proprietary information will be suitably safeguarded at all times by the audit team members.

15.2. Audit Activities

15.2.1. Conducting opening meeting

An opening meeting will be held with the auditee's management and, where appropriate, those responsible for the functions or processes to be audited. During the meeting, an opportunity to ask questions will be provided.

The degree of detail will be consistent with the familiarity of the auditee with the audit process. In many instances, e.g. audits in a small organization, the opening meeting may simply consist of communicating that an audit is being conducted and explaining the nature of the audit.

For other audit situations, the meeting may be formal, and records of attendance will be retained. The audit team leader will chair the meeting.

Introduction of the following will be considered, as appropriate:

- ✓ other participants, including observers and guides, interpreters and an outline of their roles;
- ✓ The audit methods to manage risks to the organization which may result from the presence of the audit team members.

Confirmation of the following items will be considered, as appropriate:

- ✓ the audit objectives, scope and criteria;
- ✓ the audit plan and other relevant arrangements with the auditee, such as the date and time for the closing meeting, any interim meetings between the audit team and the auditee's management, and any change(s) needed;
- ✓ formal communication channels between the audit team and the auditee;
- ✓ the language to be used during the audit;
- ✓ the auditee being kept informed of audit progress during the audit;
- ✓ the availability of the resources and facilities needed by the audit team;
- ✓ matters relating to confidentiality and information security;
- ✓ relevant access, health and safety, security, emergency and other arrangements for the audit team;
- ✓ Activities on site that can impact the conduct of the audit.

The presentation of information on the following items will be considered, as appropriate:

- ✓ the method of reporting audit findings including criteria for grading, if any;
- ✓ conditions under which the audit may be terminated;
- ✓ how to deal with possible findings during the audit;
- ✓ Any system for feedback from the auditee on the findings or conclusions of the audit, including complaints or appeals.

15.2.2. Communication during audit

During the audit, it may be necessary to make formal arrangements for communication within the audit team, as well as with the auditee, the audit client and potentially with external interested parties (e.g. regulators), especially where statutory and regulatory requirements require mandatory reporting of nonconformities.

The audit team (where applicable) will confer periodically to exchange information, assess audit progress and reassign work between the audit team members, as needed.

During the audit, the audit team leader will periodically communicate the progress, any significant findings and any concerns to the auditee and audit client, as appropriate. Evidence collected during the audit that

suggests an immediate and significant risk will be reported without delay to the auditee and, as appropriate, to the audit client. Any concern about an issue outside the audit scope will be noted and reported to the audit team leader, for possible communication to the audit client and auditee.

Where the available audit evidence indicates that the audit objectives are unattainable, the audit team leader will report the reasons to the audit client and the auditee to determine appropriate action. Such action may include changes to audit planning, the audit objectives or audit scope, or termination of the audit.

Any need for changes to the audit plan which may become apparent as auditing activities progress will be reviewed and accepted, as appropriate, by both the auditor and the audit client, and presented to the auditee.

15.2.3. Audit information availability and access

The audit methods chosen for an audit depend on the defined audit objectives, scope and criteria, as well as duration and location. The location is where the information needed for the specific audit activity is available to the audit team. This may include physical and virtual locations.

Where, when and how to access audit information is crucial to the audit. This is independent of where the information is created, used and/or stored. Based on these issues, the audit methods need to be determined. The audit can use a mixture of methods. Also, audit circumstances may mean that the methods need to change during the audit.

15.2.4. Reviewing documented information

The auditee's relevant documented information will be reviewed to:

- ✓ determine the conformity of the system, as far as documented, with audit criteria;
- ✓ Gather information to support the audit activities.

The review may be combined with the other audit activities and may continue throughout the audit, providing this is not detrimental to the effectiveness of the conduct of the audit.

If adequate documented information cannot be provided within the time frame given in the audit plan, the audit team leader will inform both the IWH and the auditee. Depending on the audit objectives and scope, a decision will be made as to whether the audit will be continued or suspended until documented information concerns are resolved.

15.2.5. Collecting and verifying information

During the audit, information relevant to the audit objectives, scope and criteria, including information relating to interfaces between functions, activities and processes will be collected by means of appropriate sampling and will be verified, as far as practicable.

Only information that can be subject to some degree of verification will be accepted as audit evidence. Where the degree of verification is low the auditor will use their professional judgement to determine the degree of reliance that can be placed on it as evidence. Audit evidence leading to audit findings will be recorded. If, during the collection of objective evidence, the audit team becomes aware of any new or changed circumstances, or risks or opportunities, these will be addressed by the team accordingly.

Methods of collecting information include, but are not limited to the following:

- ✓ interviews;

- ✓ observations;
- ✓ Review of documented information.

15.2.6. Audit Findings

Audit evidence will be evaluated against the audit criteria in order to determine audit findings. Audit findings can indicate conformity or nonconformity with audit criteria. When specified by the audit plan, individual audit findings will include conformity and good practices along with their supporting evidence, opportunities for improvement, and any recommendations to the auditee.

Nonconformities and their supporting audit evidence will be recorded. Nonconformities can be graded depending on the context of the organization and its risks. This grading can be quantitative (e.g. 1 to 5) and qualitative (e.g. minor, major). They will be reviewed with the auditee in order to obtain acknowledgement that the audit evidence is accurate and that the nonconformities are understood.

Every attempt will be made to resolve any diverging opinions concerning the audit evidence or findings. Unresolved issues will be recorded in the audit report. The audit team will meet as needed to review the audit findings at appropriate stages during the audit.

15.2.7. Audit Conclusion

Content of audit conclusion:

The audit team will confer prior to the closing meeting in order to:

- a) review the audit findings and any other appropriate information collected during the audit, against the audit objectives;
- b) agree on the audit conclusions, considering the uncertainty inherent in the audit process;
- c) prepare recommendations, if specified by the audit plan;
- d) Discuss audit follow-up, as applicable.

Audit conclusions will address issues such as the following but not limited to:

- a) the extent of conformity with the audit criteria and robustness of the management system, including the effectiveness of the management system in meeting the intended outcomes, the identification of risks and effectiveness of actions taken by the auditee to address risks;
- b) the effective implementation, maintenance and improvement of the management system;
- c) achievement of audit objectives, coverage of audit scope and fulfilment of audit criteria;
- d) Similar findings made in different areas that were audited or from a joint or previous audit for the purpose of identifying trends.

If specified by the audit plan, audit conclusions can lead to recommendations for improvement, or future auditing activities.

15.2.8. Closing Meeting:

A closing meeting will be held to present the audit findings and conclusions.

The closing meeting will be chaired by the audit team leader and attended by the management of the auditee and include, as applicable:

- ✓ those responsible for the functions or processes which have been audited;
- ✓ the audit client;

- ✓ other members of the audit team;
- ✓ Other relevant interested parties as determined by the audit client and/or auditee.

If applicable, the audit team leader will advise the auditee of situations encountered during the audit that may decrease the confidence that can be placed in the audit conclusions. If defined in the management system or by agreement with the audit client, the participants will agree on the time frame for an action plan to address audit findings.

The degree of detail will consider the effectiveness of the management system in achieving the auditee's objectives, including consideration of its context and risks and opportunities.

The familiarity of the auditee with the audit process will also be taken into consideration during the closing meeting, to ensure the correct level of detail is provided to participants.

For some audit situations, the meeting can be formal and minutes, including records of attendance, will be kept. In other instances, e.g. small company audits, the closing meeting can be less formal and consist solely of communicating the audit findings and audit conclusions.

As appropriate, the following will be explained to the auditee in the closing meeting:

- a) advising that the audit evidence collected was based on a sample of the information available and is not necessarily fully representative of the overall effectiveness of the auditee's processes;
- b) the method of reporting;
- c) how the audit finding will be addressed based on the agreed process;
- d) possible consequences of not adequately addressing the audit findings;
- e) presentation of the audit findings and conclusions in such a manner that they are understood and acknowledged by the auditee's management;
- f) Any related post-audit activities (e.g. implementation and review of corrective actions, addressing audit complaints, appeal process).

If specified by the audit objectives, opportunities for improvement recommendations may be presented. It will be emphasized that recommendations are not binding.

15.2.9. Audit Report

The audit team leader will report the audit conclusions in accordance with the audit programme. The audit report will provide a complete, accurate, concise and clear record of the audit, and will include or refer to the following:

- a) audit objectives;
- b) audit scope, particularly identification of the organization (the auditee) and the functions or processes audited;
- c) identification of the audit client;
- d) identification of audit team and auditee's participants in the audit;
- e) dates and locations where the audit activities were conducted;
- f) audit criteria;
- g) audit findings and related evidence;
- h) audit conclusions;
- i) a statement on the degree to which the audit criteria have been fulfilled;
- j) any unresolved diverging opinions between the audit team and the auditee;
- k) Audits by nature are a sampling exercise; as such there is a risk that the audit evidence examined is not representative.

The audit report can also include or refer to the following, as appropriate:

- ✓ the audit plan including time schedule;
- ✓ a summary of the audit process, including any obstacles encountered that may decrease the reliability of the audit conclusions;
- ✓ confirmation that the audit objectives have been achieved within the audit scope in accordance with the audit plan;
- ✓ any areas within the audit scope not covered including any issues of availability of evidence, resources or confidentiality, with related justifications;
- ✓ a summary covering the audit conclusions and the main audit findings that support them;
- ✓ good practices identified;
- ✓ agreed action plan follow-up, if any;
- ✓ a statement of the confidential nature of the contents;
- ✓ Any implications for the audit programme or subsequent audits.

15.2.10. Report Distribution

The audit report will be issued within 10 working days. If it is delayed, the reasons will be communicated to the auditee and the IWH. The audit report will be dated, reviewed and accepted, as appropriate, in accordance with the audit programme.

The audit report will then be distributed to the relevant interested parties defined in the audit programme or audit plan.

When distributing the audit report, appropriate measures to ensure confidentiality will be considered.

15.2.11. Audit Completion, Confidentiality and Non-Disclosure

The audit is completed when all planned audit activities have been carried out, or as otherwise agreed with the audit client (e.g. there might be an unexpected situation that prevents the audit being completed according to the audit plan).

Documented information pertaining to the audit will be retained or disposed of by agreement between the participating parties and in accordance with audit programme and applicable requirements.

Unless required by law, the audit team and the IWH will not disclose any information obtained during the audit, or the audit report, to any other party without the explicit approval of the audit client and, where appropriate, the approval of the auditee. If disclosure of the contents of an audit document is required, the audit client and auditee will be informed as soon as possible.

Lessons learned from the audit will be used to identify risks and opportunities for the audit programme and the auditee.

15.2.12. Audit Follow-ups

The outcome of the audit can, depending on the audit objectives, indicate the need for corrections, or for corrective actions, or opportunities for improvement. Such actions are usually decided and undertaken by the auditee within an agreed timeframe. As appropriate, the auditee will keep the IWH and/or the audit team informed of the status of these actions.

The completion and effectiveness of these actions will be verified. This verification may be part of a subsequent audit. Outcomes will be reported to the IWH and reported to the audit client for management review.

16. AUDIT COMMITTEE FEEDBACK

The audit outcome will be consolidated on an audit feedback report to the audit committee.

This will include the following information

- Audit date
- Company audited
- Chamber and scope allocation
- Audit outcomes

Should any audit committee member have any queries regarding the audit feedback, a written complaint can be logged with the CEO, who will review the original audit report and revert back to the relevant parties.

If any corrective action is required, this will be established between the audited company and the CEO.

17. DOCUMENTATION AND RECORDS

Audit Process
Audit Criteria Checklists
Audit Report
Audit Feedback Form