Lusail Real Estate Development Company

Health, Safety, Environment & Quality Department

STANDARD OPERATION PROCEDURE – INTERNAL AUDIT PROCEDURE

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Amendment Record

This document is reviewed to ensure its continuing relevance to the systems and process that it describes. A record of contextual additions or omissions is given below:

Rev. No	Description / Comments	Prepared By	Checked By	Approved By	Issue Date
1	(Pg. 6) Sec.6.0 – Process updated and amended	HSE Working Group	Michael Ford	Uwe Krueger	9th March 2015
1	(Pg. 6) Sec. 6.1 – Audit Planning	HSE Working Group	Michael Ford	Uwe Krueger	9th March 2015
1	(Pg. 7) Sec. 6.5 - Reporting	HSE Working Group	Michael Ford	Uwe Krueger	9th March 2015
1	(Pg. 7) Sec. 6.7 - Review	HSE Working Group	Michael Ford	Uwe Krueger	9th March 2015
1	(Pg. 8) Sec. 6.9 – Audit Process Matrix – updated and amended	HSE Working Group	Michael Ford	Uwe Krueger	9th March 2015
2	(Pg. 1) Company Propriety Information – Not controlled if printed has been added.	HSE Working Group	Michael Ford	Uwe Krueger	1st April 2015
2	(Pg. 2) Revised Amendment Table	HSE Working Group	Michael Ford	Uwe Krueger	1st April 2015
2	(Pages 4, 8 & 10) reference number was updated	HSE Working Group	Michael Ford	Uwe Krueger	1st April 2015
3	Full Review of Document. All pages.	HSE Working Group	Michael Ford April 16 2015 *Michael Ford*	Uwe Krueger	16 April 2015
4	Full Review, All pages. (Pg. 5) amended Process – frequency of audit; amended Cover page	Jocelyn Nojadera	Michael Ford	Uwe Krueger LUSAIL SENIOR QUALITY MANAGER	23 May 2016

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1.0   INTRODUCTION & PURPOSE

The purpose of this procedure is to define Lusail's process for undertaking HSE Audits in order to assess the effectiveness of the application of OHSAS 18001:2007, ISO 14001:2004 and also to define the responsibilities for planning and conducting audits, reporting results and retaining associated records.

The main benefits derived by HSE Audits are:

a. To provide a tool for measuring the degree of compliance to Lusail's HSE Policy, HSE Management System, Procedures, Practices, adopted Standards and identify areas for improvement.

b. To encourage planning for development of comprehensive HSE Programs.

c. To provide basis to periodically measure the HSE performance of the company relative to the established HSE targets.

d. To reveal deficiencies and ensure that corrective measures will be pertinent and timely to HSE trends and problems.

e. To provide basis for recognition of HSE performance or achievement.

f. To provide feedback on the attitudes of employees toward their HSE responsibilities.

g. To generate HSE awareness within the workforce.

2.0   REFERENCES

REFERENCE	TITLE & DESCRIPTION
LUS-HSE-MA1-400-001	HSE & Fire Management System Framework
LUS-HSE-FM4-455-002	HSE Audit Schedule
LUS-HSE-FM4-455-001#	HSE Audit Plan
LUS-HSE-FM4-455-005	HSE Audit & Gap Analysis Checklist
LUS-HSE-FM4-455-003	HSE Audit Feedback

3.0   TERMS & DEFINITION

TERM	ISO CLAUSE	DEFINITION
Non-conformity	3.6.2	Non-fulfillment of a requirement

TERM	ISO CLAUSE	DEFINITION
Non-conformity	3.6.2	Non-fulfillment of a requirement
Preventive Action	3.6.4	Action taken to eliminate a potential non-conformity
Corrective Action	3.6.5	Action taken to eliminate the cause of a non-conformity

Audit	3.9.1	A systematic, independent documented process for obtaining and evaluating audit evidence objectively to determine the extent to which audit criteria are fulfilled

4.0   APPLICATION & SCOPE

The scope of this procedure is focused on assessing the effectiveness of Lusail's HSE Management System. Where such processes are found to be deficient, the audit will lead to improvement in those processes. This procedure is mandatory and applies to all operations & activities carried out on Lusail City Development, including the Evaluation of legal requirements and other requirements compliance.

By applying the principles of auditing, outlined by ISO 19011:2002, Lusail ensures that all HSE audits are conducted with due professional care, integrity and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

The objectives of this procedure are to:

a.   Ensure conformance with HSE policy, systems and procedures.

b.   Assess the effectiveness of HSE activities.

c.   Evaluate the effectiveness of the HSEMS implementation.

d.   Promote understanding among the employees.

e.   Establish a standard approach and methodology for HSE audits.

f.   Communicate information to management.

5.0   REQUIREMENTS

An audit of the HSE Management System is conducted at planned intervals. All HSE Audits comments, recommendations, and corrective actions should focus on these four questions:

1.   Do HSE programs cover all regulatory / legal and best industry practice requirements?

2.   Are HSE programs requirements being met?

3.   Is there documented proof of compliance?

4.   Is employee training effective?

6.0   PROCESS

HSE Auditing is undertaken once annually. Audits may be completed with a greater frequency if determined by the Management Representative based on an overview of the department and its strategy in consultation with QA/QC or as determined by:

ISO 9001, ISO 14001 and OHSAS 18001 requirements

HSE management system requirements

HSE objectives/policy

Corrective actions Statutory/legal requirements

Management decisions

Concerns raised by 3rd parties

Results of 3rd party audits

Employee concerns

Management Review concerns

6.1 .   AUDIT PLANNING

The Management Representative is required to:

- Establish and communicate internal audit schedule

- Establish and implement internal audit plan

- Appoint audit team leader where required Select audit team, see 6.1.1 below

- Assign audit duties to the auditor team

- Ensure staff completing audit are suitably trained and qualified.

6.1.1   Audit Team Evaluation & Selection

- To ensure impartiality and objectivity, the audit team will include personnel from departments not directly associated with the area/department being audited.

- Audit team members are selected on the basis of:

- Education: secondary or higher

- Work Experience: more than 5 years

- Relevant Training: provided in-house or externally

- Audit Experience: demonstrable knowledge/skills

6.2.   AUDIT PREPARATION

The Audit Team is required to:

- Review relevant management system documents and records

- Determine their adequacy with respect to the audit criteria and with OHSAS 18001:2007 and ISO 14001:2004

- Review and prepare the internal audit checklist

- Arrange audit appointment

- Issue the audit checklist to the responsible manager

6.3.   ON-SITE AUDIT

The Audit Team is required to:

- Conduct opening meeting

- Sample and observe process inputs/outputs

- Record objective evidence to verify process compliance or non-conformance

- Generate audit findings

6.4.   WRAP-UP MEETING

The Audit Team Leader and responsible manager are required to:

- Review audit conclusions and discuss recommendations for improvement

- Decide whether any non-conformances observed should be included in correction reports or solved immediately
- Minor areas of non-conformance are taken care of immediately
- Prepare an audit report
- Review audit report with the responsible manager
- Corrective actions are reviewed by the responsible manager and close out action is agreed upon
- The audit leader and responsible manager sign off audit report

6.5. FOLLOW-UP

The Auditee/Responsible is required to:

- Ensure corrective actions are implemented and are closed-out within the agreed timeframe
- Ensure non-conformances are closed-out within the agreed timeframe
- Ensure the status of corrective actions and any non-conformances are kept up-to-date

6.6. REPORTING

The Management Appointee is required to:

- Review audit conclusions
- Indentify trends
- Make recommendations for improvement
- Finalize the HSE audit report
- Issue HSE audit report to Senior Management

6.7. REVIEW

Senior Management is required to:

- Consider and act upon audit findings during the management review process
- Use the internal audit report to promote best practice
- Ensure records are maintained

6.8. RECORDS

All documentation and records generated by the internal audit process are managed in accordance with OHSAS 18001:2007 Clauses 4.4.4, 4.4.5 and 4.5.4 and ISO 14001:2004.

6.9. AUDIT PROCESS MATRIX

	Action	Responsibility	Output

	Action	Responsibility	Output
6.1 Planning	Establish and communicate HSE audit schedule Establish and implement HSE audit plan Appoint the audit team leader where required Select the audit team	Management Representative	LUS-HSE-FM4-455-002 LUS-HSE-FM4-455-001
6.2 Preparation	Review relevant HSE documents and records Determine their adequacy with respect to the audit criteria Review relevant requirements of OHSAS 18001:2007 and ISO 14001:2004 Review and prepare the HSE audit checklist Arrange audit appointment	Audit Team	
6.3 Audit	Sample and observe necessary process inputs/outputs Record objective evidence to verify process compliance Generate and record audit findings	Audit Team	

	Action	Responsibility	Output
6.4 Wrap-up meeting	Decide whether any non-conformance observed should be included in correction reports or whether they can be solved immediately Minor areas of non-conformance are taken care of immediately, while a conclusion for the audit as a whole is written down An audit report is prepared which is examined together with the manager responsible for the area in question Corrective actions are reviewed by the manager responsible and close out action is agreed upon The audit leader and responsible manager sign off audit report	Audit Team Leader and Responsible Manager	
6.5 Follow-up	Ensure corrective actions are closed-out within the agreed timeframe Ensure non-conformances are closed-out within the agreed timeframe Ensure status of corrective actions and non-conformances communicated to the Sr. HSE & Fire Manager	Responsible Manager	

6.6 Reporting	Review audit conclusions Indentify trends Make recommendations for improvement Finalize HSE audit report Issue HSE audit report to Senior Management	Sr. HSE & Fire Manager	
6.7 Review	Consider and act upon audit findings during Management Review Use the HSE audit report to promote best practice	Senior Management	

6.10   HSE Audit Process Map

Quality Management Representative	Audit Team	Responsible Manager	Top Management

Audit Considerations
- OHSAS 18001, ISO 14001 requirements
- Customer complaint
- HSE MS requirements
- HSE objectives/policy
- Corrective actions
- Statutory/legal requirements
- Management decisions
- 3rd party concerns
- Results of 3rd party audits
- Employee concerns
- Management Review

Additional Considerations
- Status
- Importance
- Frequency

Document review

Prepare audit schedule
LUS-HSE-FM4-455-002

Prepare audit checklist

Devise audit plan
LUS-HSE-FM4-455-001

Conduct Audit

Provide feedback on audit
LUS-HSE-FM4-455-003

Assign audit duties

Non-compliance found?

Initiate corrective actions

Review audit findings

Prepare Audit Report
LUS-HSE-FM4-455-004

Close out corrective actions

Recommendations for Improvement

Verify Close-out at follow-up meeting

Management Review