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# AUDIT

## Audit Procedure

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**Revision Changes:**

Revision	Status / Description of Changes
2.0	Most changes focused on the table in section 4 due to organisational change. Removed columns for Technical Heads and the Audit Manager, and changing Manager of Audit Area to Principal Auditee. These changes then required some tinkering with the wording of s 5.3., 5.8, 5.13.

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## **Contents**

<b>1 Purpose</b> .....	<b>4</b>
<b>2 Scope</b> .....	<b>4</b>
<b>3 Definitions</b> .....	<b>4</b>
<b>4 Responsibilities</b> .....	<b>5</b>
<b>5 Procedure</b> .....	<b>7</b>
<b>5.1 Audit Plan and Audit Schedule</b> .....	<b>7</b>
<b>5.2 Auditor Competency</b> .....	<b>7</b>
<b>5.3 Audit Team Selection</b> .....	<b>7</b>
<b>5.4 Safety Considerations</b> .....	<b>7</b>
<b>5.5 Audit Preparation</b> .....	<b>7</b>
<b>5.6 Opening Meeting</b> .....	<b>7</b>
<b>5.7 Audit Methodology</b> .....	<b>8</b>
<b>5.8 Corrective Action Requests (CARs)</b> .....	<b>8</b>
<b>5.9 Observations (OBS)</b> .....	<b>8</b>
<b>5.10 Opportunities for Business Improvement (OBIs)</b> .....	<b>8</b>
<b>5.11 Closing Meeting</b> .....	<b>8</b>
<b>5.12 Audit Reporting</b> .....	<b>9</b>
<b>5.13 CAR follow-up and close out</b> .....	<b>9</b>
<b>5.14 Audit Records</b> .....	<b>9</b>
<b>6 Auditor Competency Process</b> .....	<b>10</b>
<b>6.1 Minimum Competency Requirements</b> .....	<b>10</b>
<b>7 Reference Documents</b> .....	<b>11</b>
<b>8 Standard Forms / Templates</b> .....	<b>11</b>

## 1 Purpose

The purpose of this procedure is to detail Crossrail's audit process.

## 2 Scope

This audit procedure will be used for all audits undertaken as defined by Crossrail's Audit Strategy. It has been developed in line with the ISO 19011:2011 guidelines for quality and/or environmental management systems auditing.

## 3 Definitions

Audit	A systematic, independent and documented process for obtaining evidence and evaluating it objectively to determine the extent to which defined requirements are fulfilled.
Audit Plan	Plan of risk-based audits that are presented by the Head of Audit to the Audit Committee for approval.
Audit Schedule	The Audit Committee approved plan of audits that are transcribed on to Sharepoint together with specific dates when the audit will be conducted.
Audit Scope	Topics to be examined during each audit.
Corrective Action	Action taken to prevent reoccurrence of the non-compliance.
Corrective Action Request (CAR)	An audit finding demonstrating non-compliance against a defined requirement. It is raised where there is a perceived systemic risk and where benefit could be derived from action to prevent reoccurrence. CARs are recorded in the audit report summary in order of priority / highest risk.
eB	The Crossrail Electronic Documented Management System (EDMS).
Immediate Action	Action taken to correct a non-compliance.
Opportunities for Business Improvement (OBI)	A finding arising from an audit that identifies an opportunity to help improve the process being audited or another part of the Project.
Observation (OBS)	An audit finding that is non-systemic; and/or a condition which requires correction.
Preventive Action	Actions taken to prevent non-compliance as recorded in the risk registers on ARM.
Principal Auditee	Usually the manager for the area being audited who is responsible for ensuring that Auditees cooperate with the Auditor, and actions are agreed.

## 4 Responsibilities

	Head of Audit	Head of H&S Assurance EMS Performance Manager Audit Team Manager	Lead Auditor/ Auditor	Principal Auditee	Auditee
Audit Plan	Consults business to develop an Audit Plan in line with the Audit Strategy.	Inputs into the Audit Plan principally, but not restricted to, contractor health & safety, quality and environmental audits.			
Planning	Acts as arbiter in the case of dispute in relation to audit co-ordination.	Agrees the audit scope. Each is responsible for the resourcing of own audits. Periodically reviews the Audit Schedule in relation to own audits. Co-ordinates audits with other managers.	Develops the audit scope, plans the audit, and produces the Audit Notification Letter.	Acknowledges Audit Notification and ensures appropriate people are available for the opening meeting.	
Fieldwork	Uploads CARs on to the CAR Tracker	Each is responsible for approving own audit reports.	Completes audits in accordance with this procedure. Reviews and records audit findings. Agrees corrective actions and close-out dates with auditees. Produces the audit report. Uploads audit reports on to the Audit Sharepoint site. Communicates CARs to the Audit Team Manager	Acknowledges audit findings. Agrees and coordinates actions to address CARs and Observations. Considers potential improvements in OBIs.	Provides information requested by the Auditor.

	<b>Head of Audit</b>	<b>H&amp;S Assurance Manager Environmental Manager Audit Team Manager</b>	<b>Lead Auditor/ Auditor</b>	<b>Principal Auditee</b>	<b>Auditee</b>
<b>Follow up</b>	Acts as arbiter in the case of dispute in relation to CAR closure or extensions. Carries out trend analysis of all CARs	Provide technical support to verify the evidence for close out of CARs with the Lead Auditor. Carries out trend analysis for own audits.	Prompts timely CAR and Immediate Action closure by auditee where required. Reviews evidence and closes CARs when evidence is sufficient.	Ensures that appropriate action is taken with respect to observations and CARs. Presents evidence to auditor to close CAR in a timely manner.	Assists the Principal Auditee to complete agreed actions.
<b>Reporting</b>	Reports audit findings and trends to the Audit Committee and at the Annual Management System Review. Circulates weekly CAR Tracker.	Communicates key issues to the Head of Audit.	Updates CAR tracker as appropriate.		
<b>Auditor Review</b>	Oversees the mentoring and approval of auditors. Maintains the Auditor Competency Register.	Mentors and approves auditors in line with section 6 of this procedure.			

## 5 Procedure

### 5.1 Audit Plan and Audit Schedule

The Audit Plan is developed as described in the Audit Strategy. Each audit manager (the Head of H&S Assurance, the EMS Performance Manager, and the Audit Team Manager) is responsible for scheduling the audits for which they are responsible, and ensuring that these are recorded in the Audit Schedule on Sharepoint.

### 5.2 Auditor Competency

All competent auditors will be recorded in an 'Auditor Competency Register' that is kept on SharePoint by the Head of Audit but is not publicly accessible.

### 5.3 Audit Team Selection

Each audit manager (the Head of H&S Assurance, the EMS Performance Manager, and the Audit Team Manager) identifies the appropriate audit team for each audit, and ensures that the auditors are suitably competent.

Auditors will be independent of the activity being audited.

### 5.4 Safety Considerations

There is a Crossrail generic risk assessment located on the Audit Sharepoint site for non-site persons that all auditors should review before conducting site-based audit work. A Dynamic Risk Assessment will be carried out when auditors are about to conduct an audit in unfamiliar locations or circumstances. This will be typically undertaken with an appropriate site based representative, for example, through a site induction.

Auditors will have been trained (having completed in-house training on site risk assessment) and will be escorted as visitors when on site.

### 5.5 Audit Preparation

The Lead Auditor will prepare an Audit Notification Letter that describes the objectives, scope and the timing of the audit that is sent to auditees and stakeholders.

The Lead Auditor prepares a plan that reflects the scope and complexity of the audit. This will take into account the risks and existing mitigation measures (Preventive Actions) recorded in Active Risk Manager (ARM) associated with the area to be audited.

### 5.6 Opening Meeting

The Lead Auditor will set up an opening meeting with representatives of the auditees management. The opening meeting will address the following:

- the audit process;
- the plan for conducting the audit; and
- the reporting process.

The Lead Auditor may choose to hold separate opening meetings, for example where an audit impacts on several sites. An attendance log will normally be maintained for both opening and closing meetings.

## **5.7 Audit Methodology**

Auditors will maintain a legible audit trail to confirm the auditees and the activities that were assessed.

Any non-compliance found during the course of the audit will be noted and drawn to the attention of the auditee **at the time it is identified**. The auditor should ensure that the auditee acknowledges the non-compliance. The auditor will then prepare for the closing meeting.

The Lead Auditor may hold a wash-up meeting after the audit fieldwork has concluded, or/and a closing meeting to inform the auditees formally of the audit findings. All findings are recorded as in Audit Reporting (Section 5.12). Manually generated CAR forms may be used at this meeting to promote closure of Corrective Actions in a timely manner. These are used to:

- Acknowledge the CAR; and
- Agree actions with the auditees.

## **5.8 Corrective Action Requests (CARs)**

The auditor will record the 'required condition' and the 'condition found' for the non-compliance with a defined requirement.

The auditee or appropriate line manager will acknowledge the CAR with the auditor at the wash-up or closing meeting. Auditees should identify the root cause of the non-conformity before deciding on a course of action to prevent reoccurrence.

Corrective Actions are included in the audit report and then logged on the Crossrail 'CAR Tracker'.

## **5.9 Observations (OBS)**

Observations made at audits are important enough to be recorded on the audit report and will be reviewed during subsequent audits. A one-off response by the auditee is required. Examples of particularly impressive controls / processes may be recorded as a 'Good Practice' in the Audit Report.

## **5.10 Opportunities for Business Improvement (OBIs)**

Opportunities for Business Improvement will be included in the action plan for consideration by the auditee.

## **5.11 Closing Meeting**

A closing meeting will normally be held with the auditee(s) as soon as practicable. This will include representatives of the auditee's management, as appropriate. The audit team will cover the following:

- summary of audit findings and conclusions;
- review and acknowledgment of any CARs and other audit findings;
- any agreed actions; and
- details of the follow-up process.

Copies of all CARs, Observations and OBIs will be passed to the auditee. Audit findings should be agreed and any immediate actions agreed at the closing meeting. Corrective Actions can be agreed provided the actionee had considered the root cause of the non-compliance.



Where an audit can impact on several sites, a single closing meeting may not be practical. The Lead Auditor may choose to hold separate meetings in such cases.

## **5.12 Audit Reporting**

The Lead Auditor will ensure that all actions have been agreed. The Lead Auditor will prepare the audit report using the audit report template and include:

- Date of the audit report;
- The audit scope;
- Name(s) of auditors;
- Summary of the audit findings in priority order;
- Date the audit took place;
- Agreed actions including CARs and Observations raised;
- Any Opportunities for Business Improvement; and,
- A risk statement on the management of existing risks and highlights any emerging risks identified.

Each audit manager (the Head of H&S Assurance, the EMS Performance Manager, and the Audit Team Manager) will authorise the issue of their audit reports prior to circulation.

All audit reports should be copied to the Audit Team Manager to ensure that they are recorded on the Audit Sharepoint site.

All audit reports are issued via eB in accordance with the Crossrail document control procedure. Contractor audit reports will be issued to the contractor by the Project Manager.

## **5.13 CAR follow-up and close-out**

CAR follow-up and close-out is the responsibility of the Lead Auditor. The Project Manager should review evidence provided by a contractor to close a CAR prior to submission to ensure that the action has been implemented. The evidence will then be forwarded to the Lead Auditor for review and closure. CAR follow-up and close-out may involve verification with appropriate technical managers. The Lead Auditor will confirm that the CAR has been closed and the CAR Tracker updated.

Should the auditee and Lead Auditor not agree, the matter will be escalated to the appropriate audit manager (the Head of H&S Assurance, the EMS Performance Manager, and the Audit Team Manager). Further escalation in the case of dispute will be to the Head of Audit.

The audit CAR tracker will be issued on a weekly basis.

CAR due dates will only be extended in exceptional circumstances. Each audit manager (the H&S Assurance Manager, the Environmental Manager, and the Audit Team Manager) can extend a CAR once only, and by up to four weeks. Any further extension can only be agreed by the Crossrail Head of Audit.

CARs may be suspended in circumstances agreed with the Head of Audit e.g. a contractor is no longer working on the project, but could return in the future.

## **5.14 Audit Records**

All Audit Reports will be approved on eB. The CAR tracker and the approved audit schedule will be placed on eB at the end of each period and each quarter respectively. Evidence to close CARs will be retained on Sharepoint and copied to eB each year.

Audit Reports will be retained for the period recorded in the Document Retention Periods procedure.

## 6 Auditor Competency Process

- Step 1. Candidates complete the 'Auditor Application Form'.
- Step 2. The Head of Audit reviews the completed form and determines if any further audit training and mentoring is required. The Head of Audit determines who will carry out step three as appropriate.
- Step 3. Each audit manager (the Head of H&S Assurance, the EMS Performance Manager, and the Audit Team Manager) can assess prospective auditors to determine if auditing skills are acceptable. Auditor performance is documented on the 'Auditor Review by the Lead Auditor who is mentoring the applicant.
- Step 4. All formally recognised Crossrail Auditors will be issued with an Auditor Card. This is to be presented to the auditees to demonstrate that the Auditor is carrying out an audit for Crossrail assurance purposes.
- Step 5. The Head of Audit maintains the application, review records and the Auditor Register confirming individuals are competent to undertake audits on behalf of Crossrail.

Technical experts may be used where specific technical knowledge is required and will work under the supervision of the Lead Auditor.

TfL auditors will be deemed to be competent and issued a Crossrail Auditor Card with a photograph.

### 6.1 Minimum Competency Requirements

Parameter	Auditor	Lead Auditor	Technical Expert
Work experience	Demonstrable and relevant industry experience, and, if applicable, technical expertise that is assessed by a competent person	Demonstrable and relevant industry experience, and, if applicable, technical expertise that is assessed by a competent person	Demonstrable and relevant industry experience Specific technical expertise in a relevant subject(s), as confirmed by the functional manager.
Auditor training	2 day IRCA or IEMA or equivalent approved internal auditor training course.	5 day IRCA or IEMA approved lead auditor training course (passed successfully )	Not required
Audit experience	Two audits undertaken to an 'acceptable' level under the supervision of a Crossrail Lead Auditor	One audit to be undertaken in the role of Lead Auditor at an acceptable level under the supervision of a Crossrail Lead Auditor	Not required

Auditors who are qualified Lead Auditors through a recognised registration scheme, such as IRCA, LRQA, IEMA or BSI will be deemed competent to carry an Auditor Card, after they have demonstrated that they are conversant with this procedure.

## 7 Reference Documents

<b>Ref:</b>	<b>Document Title</b>	<b>Document Number:</b>
1.	ISO 19011:2011 Guidelines for quality and/or environmental management systems auditing;	N/a
2.	Audit Strategy	CRL1-XRL-O-STP-CR001-50003
3.	Document Retention Periods	CR-XRL-N1-GPR-CR001-00005

## 8 Standard Forms / Templates

<b>Ref:</b>	<b>Document Title</b>	<b>Document Number:</b>
1.	Audit Notification Template	CR-XRL-O-ZTM-CR001-50001
2.	Audit Report Template	CR-XRL-O-ZTM-CR001-50002
3.	Auditor Application Form	CR-XRL-O-ZFM-CR001-50005
4.	Auditor Review Form	CR-XRL-O-ZFM-CR001-50004