



Australian Government

Department of Education, Employment
and Workplace Relations
Office of the Federal Safety Commissioner

Guidelines for companies addressing non-conformance detailed in a Corrective Action Report for an Accreditation Audit

Section 1. Introduction

These guidelines are aimed at assisting companies understand their obligations in responding to a Corrective Action Report (CAR). A CAR details either a major or a minor non conformance raised against audit criteria at an onsite audit. An onsite audit can result in multiple CARs.

Section 2. Background

A. Accreditation Process

The Australian Government Building and Construction OHS Accreditation Scheme (the Scheme) requires Australian Government agencies to contract only with accredited companies on building and construction projects. Accreditation is achieved in a two stage process comprising:

1) **Desktop Assessment**

Phase one is the desktop assessment, an analysis of documents and evidence submitted by a company in the application. If the evidence submitted meets the assessment criteria set and assessed by the Office of the Federal Safety Commissioner (OFSC), the application is progressed to phase two, the onsite audit.

2) **Onsite Audit**

Phase two is an onsite audit that aims to verify the implementation of claims made in documentation that a company has supplied to the OFSC. The audit is conducted by a Federal Safety Officer (FSO).

Further onsite audits may be required to complete the application if a CAR is issued. This Follow Up audit is detailed under *Section D* below.

Under Regulation 12, full accreditation is awarded for a period of up to, but no longer than, three years from the date on which accreditation is awarded.

Section 3. Application and Scope

A. Onsite Audit

1) **Federal Safety Officer (FSO)**

FSOs are appointed to undertake the auditing of a company to be accredited under the Scheme. The role of an FSO is to assess the company's compliance with the various elements of the Scheme through an onsite audit.

2) **Audit Criteria**

- **OHS Management System** - the company being assessed is required to have an OHS management system that is certified, not just equivalent, to Australian Standard 4801:2001 or OHSAS 18001.
- **Focus Points** - applicants will also need to demonstrate capacity to meet the following six (6) OHS focus points of the Scheme:
 - Tangible senior management commitment to OHS;
 - Integration of design issues into the risk management process;
 - Whole-of-project consultation and communication;
 - Subcontractor OHS management;
 - Whole-of-project performance measurement; and
 - Training.



- **Hazards** - the FSO will also audit the management of particular hazards on site. Hazards are selected in consultation with the contractor and the particular type of work being undertaken on site.

B. Issuing CARs

Corrective Actions arise when an FSO audits a site and a judgement is made by the FSO, after the review of objective evidence, that a certain aspect of the system being audited does not conform to the audit criteria. CARs have two categories: Major Non-conformance; and Minor Non-conformance.

- **A Major Non-conformance** is when an aspect of the system being audited does not meet the requirements of the audit criteria, due to an absence of a system, or the failure to implement and maintain the system.
- **A Minor Non-conformance** is when an aspect of the system being audited indicates a weakness in the system or in the implementation of the system which, if not addressed, will lead to system failure. A number of Minor Non-conformances raised against the same system element may indicate a breakdown of the system and together may constitute a Major Non-conformance.
- **Opportunity for Improvement** may be allocated to an activity as a comment when the activity complies with all prescribed legislation and procedures, but could be improved by making minor changes to company procedures. There is no requirement for a company to take this opportunity for improvement, but they are encouraged to do so.

C. Addressing a CAR

1) Initial Letter

When a Corrective Action has been raised as part of the audit process, the company will receive a letter containing the following:

- Audit Report;
- Corrective Actions Report(s) if raised; and
- Advice that the Company has up to 30 calendar days to rectify the issue(s) reported in the CAR(s) and to provide evidence to confirm that the CAR(s) can be closed out or down graded.

2) Follow Up Phone Call and Email

An Audit Officer from the OFSC will telephone and email the nominated company contact within fourteen (14) days after sending the Initial Letter. This contact is to confirm that the company has received the Audit Report and has noted any CAR(s) applicable to the report.

3) Evidence of Action

As advised in the Initial Letter above, the company has thirty (30) calendar days to rectify the issue reported in each CAR and provide satisfactory evidence to confirm that the CAR can be closed.

Evidence may constitute amended documentation and/or an action plan showing responsibilities and subsequent sign-off of completed actions. The OFSC and/or the FSO will analyse the evidence to assess whether it satisfies the criteria.

4) Closing a CAR – Onsite Follow Up Audit

Following the analysis of evidence by the OFSC a follow up onsite audit will be arranged in consultation with the company to verify that the evidence outlined in the corrective actions have been implemented on site. It is anticipated that this result will be to either downgrade, close out, upgrade, or confirm the CAR.

5) Extensions Available

- **First Sixteen Days** - Following receipt of the Initial Letter, a company may request an extension of sixteen (16) calendar days, giving a total of forty six (46) calendar days to rectify the issue reported in the CAR and provide satisfactory evidence to the OFSC.
- **Second Sixteen Days** - If a company requires further time than the forty six (46) calendar days, a second and final request for an extension of an additional sixteen (16) calendar days may be made to the OFSC. This gives the maximum time available to a company of sixty two (62) calendar days.



- *Applying For Extension* - A company is required to request an extension of time in writing to the OFSC five (5) working days prior to the initial thirty (30) calendar days expiring for a first extension, and five (5) working days prior to the sixteen (16) calendar days for a second extension.
- The decision by the Federal Safety Commissioner (FSC) whether to provide an extension will be advised to the company by phone call and email within three (3) working days of receipt of the request. A letter to confirm the decision will also be mailed to the company.

6) Final Letter

- *Major CAR* - If a company fails to provide satisfactory evidence of rectifying outstanding CAR issues within the applicable timeframe, a final letter will be sent from the OFSC. The company will have sixteen (16) calendar days to provide satisfactory evidence to resolve the CAR or an unsatisfactory audit will be recorded and the FSC will make a decision on the information available.
- *Minor CAR* - If a company fails to provide satisfactory evidence of rectifying outstanding CAR(s) within the applicable timeframe, a final letter will be sent from the OFSC. If the FSC decides to proceed with the application with outstanding minor CARs, the FSC may impose conditions on the company's accreditation.
- *Accreditation With Conditions* – If a further condition is imposed by the FSC, under Regulation 15, the company will be notified in writing. The letter will include the following details of the condition:
 - the reasons for the condition being imposed;
 - what the company must do to comply with the condition;
 - a timeframe for compliance including when a formal response is required;
 - details of what will happen if the company fails to comply with the condition;
 - details of what will happen if the company does comply with the condition.
- A number of Minor Non-conformances raised against the same system element may indicate a breakdown of the system and together may constitute a Major Non-conformance, and therefore require resolution prior to the accreditation application proceeding. If this occurs, a company will be informed as part of the Initial Letter detailed in Section C1 above.

D. Follow Up Audit

- 1) A follow up audit will be conducted to verify statements that the company has made to address the corrective actions and ensure that the company has met the standards required to close the CAR.
- 2) Follow up audits will be carried out on the original site if possible, but can be conducted on any company site (government or non government).
- 3) If the result of the follow up audit is unsatisfactory, the company will be notified by letter that:
 - The audit was unsatisfactory;
 - The company must provide justification to the OFSC to continue with the application; and
 - The company has sixteen (16) calendar days to provide a response.

Section 4. Date of Effect of Guidelines

These guidelines are effective from 1 May 2007