National Rail System Standard / 9

AUDIT

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PREFACE

National Rail System (NRS) Standard

The objective of this NRS Standard is to provide a generic framework for the management of the audit function for the Rail Safety System (RSS). It is applicable for all activities associated with operations of the National Rail System and is designed to meet the requirements set out in the relevant legislation and the NZ Transport Agency guidelines.

It should be read in conjunction with other applicable NRS Standards and relevant Safety System documentation.

It is generic and specific to users of the national rail system. The terminology chosen to apply to the national rail system has been used in this NRS Standard.

Review of National Rail System (NRS) Standards

NRS Standards are subject to periodic review and are kept up to date by the issue of amendments or new editions as necessary. The user is responsible for ensuring that they are in possession of the latest edition, and any applicable amendments.

Full details of all NRS Standards are available from KiwiRail. The Document Controller for all NRS Standards is KiwiRail.

Suggestions for improvements to NRS Standards should be addressed to KiwiRail head office. Any inaccuracy found in an NRS Standard should be notified immediately to enable appropriate action to be taken.

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1 INTRODUCTION

1.1 Scope

This National Rail System Standard provides a generic guide to the definitions and methodology of management system auditing within the Rail Safety System.

Access Providers and Operators adopting this National Rail System Standard are required to set out policy and the requirements for auditing in their specific organisations management procedures.

2 AUDIT MANAGEMENT

2.1 Planning

Operators and Access Providers must have an annual audit plan that will encompass internal and external auditing requirements.

The audit plan must specify who is responsible for completion, the subject/activity area and audit frequency.

Audit Planning must consider both Group (table1) and Level (table 2).

TABLE 1

Group	Scope	Intent
First Party	Internal	An internal assessment of compliance with systems, processes and procedures
Second Party	Supplier	An assessment of a Supplier to determine that suppliers capability to deliver to specification.
Third Party	External	An external assessment for regulatory compliance with an approved safety system.

Audits will be one of the following types:

TABLE 2

Level	Audit Type	Intent
1	Short Form	A routine or special inspection of process or infrastructure / equipment or compliance with standards and procedures using standardised check sheets. • May be completed by a technical expert. • Not required to hold an audit qualification. • Designed to provide assurance by covering a number of sites /asset types or processes per annum. • May be carried out in conjunction with regular field management/ technical visits/walk-about.
2	Full	A systematic audit using established audit standards. • National Rail System, ISO, AS/NZ Standards as appropriate. • Must be conducted by a lead auditor. • System audits designed to cover the range of activities within a given timeframe.
3	Special	"One off" audits as required for a particular reason. • Auditor qualification determined by scope. (Usually a Specialist Engineer, Operating Officer or Senior Manager)

2.2 Scope

Planning must ensure that the audit scope encompasses the following;

- a review of risk "action plans" at the appropriate level
- the sustainability of deployed corrective actions
- safety system responsibilities identified, assigned and working (including that for Corporate and Board levels)

Second party (Supplier) audits are limited to suppliers whose products and/or services significantly affect or could significantly affect an Access Provider's or Operator's rail safety risk profile.

Where the second party is either a rail "Access Provider" or 'Operator" operating with a Rail Licence issued by the NZ Transport Agency second party audit is discretionary. Assurance may be provided by the NZ Transport Agency who will conduct safety assessments for compliance against an approved Safety Case including interoperability standards using an approved safety assessor.

Each organisation must define persons responsible for the planning, execution and management of audits and corrective actions.

Internal audits and Second Party (Supplier) audits must be independent of the process/functions being audited.

2.3 Auditor Qualification

All Lead Auditors (except where provided for in table 2) must hold a certificate in auditing issued by a RABQSA International (formerly Quality Society of Australasia) approved training provider. They must also be competent in the proposed audit area, or be accompanied by a suitably qualified Technical Expert

Assisting Auditors must as a minimum have relevant rail operational, rail engineering, or health, safety, quality and environment (HSQE) experience.

In all cases an Assisting Auditor must work under the supervision of a qualified Lead Auditor (except were provided for in table 2).

Where a specific audit of the Health and Safety management system is proposed, the lead auditor must have appropriate background, experience and qualifications in health and safety management and auditing.

Auditors undertaking external Management Systems (second party audits) must be able to demonstrate the appropriate experience/knowledge for the audit being completed.

3 AREAS OF TECHNICAL EXPERTISE

Technical Experts must be **"qualified "** by experience and or formal qualification for the intended audit scope in one or more of the expertise areas listed in the table below.

Principal areas of relevant general and railway technical expertise are:

TABLE 3

Area	**Operator**	**Access Provider**
Safety Management (including Occupational Health, Safety and Environment)	Primary	Primary
Mechanical Engineering (Design & Maintenance)	Primary	C
Civil Engineering (Design & Maintenance)	C	Primary
Signals & Electrical Engineering (Design & Maintenance)	C	Primary
Network and Train Control Operations	C	Primary
Train Operations and Operator Interoperability	Primary	C
Terminal Management (rail safety aspects) and Load Safety	Primary	C
Passenger safety – Boarding and alighting, behaviour on vehicles, safety on platforms, crowd control on excursions.	Primary	C
Public and passenger safety- trespass, level crossing, pedestrian crossings and public education (Note: In partnership with local authorities/roading authority and other relevant stakeholders)	C	Primary

(C = contributing, may require audit at the interface)

4 AUDITOR RESPONSIBILITIES

4.1 General

Lead Auditors are responsible for :

- planning each audit (within the Scope provided)
- organising, and/or undertaking, the required preparation
- making all the necessary arrangements, including the setting up of all appointments/meetings etc.
- managing the day-to-day, and overall, running of the audit
- noting all observations
- compiling the final audit report (the aim should be to deliver the report at the earliest possible opportunity)
- maintaining all working papers for audits undertaken (this is particularly applicable to all observations recorded by non-qualified assisting auditors)

Assisting Auditors are responsible for:

- assisting with the audit preparation as requested by the Lead Auditor
- assisting in the audit as directed
- noting all observations

4.2 Audit Documentation

ALL Auditors are responsible for :

- fully recording all elements observed (this means recording both variations to defined systems, and those that, at the time of audit, were operating as designed/intended

  The intent of the above, is that if required, auditors are able to provide clear, objective evidence, of what occurred/was occurring when the audit was performed.

- maintaining all such records whether in the form of -
  - completed checklists
  - audit books, or
  - in special "audit" notebooks

4.3 Audit Reports

All Audit reports shall clearly set out/identify -

- all groups/sites audited
- the auditing standard applied
- the date(s) the audit took place
- the names of all auditors

Copies should be distributed to all appropriate/affected parties. This may be done electronically. An official, hard, signed copy must be retained on file by the Organisation scheduling the Audit and the Auditee Organisation.

4.4 Contract Auditing and/or Utilising Contracted Auditors

Guidance is provided in Standard AS/NZS ISO 19011:2003..

Contract Auditors must:

(a) be competent in the proposed audit area, **and/or**
(b) have qualified, and/or gained the appropriate recognition classifications by the QSA or other similar, approved, organisation, **and/or**
(c) be accompanied by a suitably qualified Technical Expert

Where the person holds a current, valid, rail safety auditor approval from the NZ Transport Agency they will be considered appropriately qualified in the areas of listed competence.

4.5 Use of Technical Experts

Where the Lead Auditor lacks the background, experience or technical expertise to fully assess the audit area or scope an independent technical expert must be used in a supporting role (refer to section 3 "Areas of Technical Expertise"). Credentials of technical experts must be retained with the audit report or on a supporting record.

The credentials must set out clearly:

(a) the skills and knowledge of each "expert"
(b) the practical experience of each "expert", and
(c) a resume of any similar work (audit or consulting), that each person has undertaken.

The Lead Auditor is responsible for ensuring that the scope and area where advice is sought/ requested, are compatible.

4.6 Audit Records (Key Records)

The following are defined as Audit Records :

TABLE 4

Title	Held By	Minimum Retention Period
Audit Reports	Auditee	7 years
Audit "Notebooks"	Lead Auditor	7 years