

Maximizing Your SMS: Differences Between Audits, Evaluations, and Investigations

Question / Process Owner	Internal Audit	Internal Evaluation	Investigations
Key Purpose?	Objective and systematic assessments of how well the program is documented, and effectively implemented.	Front-line assessment of strengths and weaknesses programs, policies, personnel, practices, products, and organizational structure to improve their effectiveness.	Impartial review usually
Key objectives?	Standards audit (Compliance to external regulations and company-adopted standards) of WHAT we should be doing.	<ul style="list-style-type: none"> - Measure effectiveness of procedures of HOW we should be doing something. (Risk assess degree of Conformance to internal company policy) - Business case analysis supporting WHY we should be doing something. (ID Gaps in conformity and errors in current policy design) 	Determine causes of events requiring correction of serious errors or deficiencies, certificate action, potential discipline, or inform other departments / agencies of the need for action within their oversight and jurisdiction.
Who performs it?	2nd or 3rd party trained auditors	Company department process owners, section managers, front-line employees, or 1 st party auditors who work within the scope of the procedural area.	<p>The appropriate investigator should possess all the following:</p> <ul style="list-style-type: none"> - An ability to investigate objectively without bias. No stake in the outcome. - The investigator should not have a personal relationship with the involved parties. - The outcome should not directly affect the investigator's position within the organization. - Skills that include prior investigative knowledge and working knowledge of employment laws. - Strong interpersonal skills to build a rapport with the parties involved and to be perceived as neutral and fair. - Attention to detail. - The right temperament to conduct interviews.
Who oversees its results?	Key program / process owners, department managers.	Key program / process owners, department managers.	<ul style="list-style-type: none"> - Key program / process owners, department managers. - Independent regulators, legally appointed investigation agencies.
When is it done?	Audits should usually be scheduled at least once per year and should cover all the activities undertaken – especially if they are relevant to SMS.	<ul style="list-style-type: none"> - Once a performance scoring /monitoring baseline measurement is set, ongoing IEP samplings and analysis events are periodically scheduled by the Safety Manager (SM). - The SM, with full support of their safety & quality committee members, determine future evaluation criteria plus their sampling frequency, against task design, work tempo, or any new change management drivers. 	Upon occurrence and / or legal appointment.

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Why is it done?	Auditing grew out of the accounting discipline, while evaluation grew out of the social sciences. An auditor looks for instances of things going wrong. They place great weight on the need for accuracy of administrative records and is likely to be suspicious of statistical inferences based on aggregate data if they cannot find actual cases confirming the general conclusion.	<ul style="list-style-type: none"> - As with any dynamic management system, a proactive SMS requires continual performance monitoring to assure that the SMS remains within control. These controls become the SPIs and KPIs demanded of the company's strategic objectives. -The social science evaluator mistrusts administrative records and is predisposed to seek his own direct observations and a much more generalized view of what happened. He prefers large volumes of data and mistrusts small numbers of specific events because he has little confidence what was found in one case is typical. 	Regarding any event or occurrence reported, if the alleged facts can be substantiated, check what supporting documentation or other materials can be found, preserve and secure basic evidence, and determine whether, or not, an investigation is justified.
How is it carried out?	Internal audits are carried out independently from program management.	Internal evaluations are carried out dependent on the expertise of front-line workers with the collaboration of program management.	Investigations are conducted internally and externally. Many times, these investigations will occur simultaneously, but will maintain their independent sources to assure objectivity.
How are policies, programs, procedures involved?	<p>Auditors must answer the 'standard DIE' audit review questions for all pertinent policies, programs, procedures:</p> <ul style="list-style-type: none"> - Is it <u>D</u>ocumented? - Is it <u>I</u>mplemented? - Show <u>E</u>vidence it is completely effective? 	<ul style="list-style-type: none"> - Evaluations are conducted in a neutral manner with integrity in relationships between evaluators and stakeholders. - SMSs, front-line employees, collaborate with department heads and managers in the conduct of evaluations and evaluation planning exercises. - Process owners are responsible for developing and implementing performance measurement in consultation with the Safety Manager. - Department heads ensure valid, reliable, and useful performance data is continually available to meet the needs of an evaluation of the program. 	<ul style="list-style-type: none"> - Proper historical revisions of policies, programs, procedures are recalled for evidence of being in place during the event being investigated.
What are the key oversight requirements for internal departments or external agencies?	Accept findings from a certified audit	Accept documented and implemented findings of in support of the company's planned policy conformity and strategies.	
How is it continually monitored?	Once you complete an internal audit, you should remediate any gaps identified during the process. In addition, conducting a follow-up audit will increase the likelihood that an external audit will go well.	<ul style="list-style-type: none"> - Design and integrate multi-faceted IEP plans meet the company's unique operating context. - Use project management tools to scope and target key areas of operational risk management areas wherein employees are at highest risk. <p>(continued)</p>	<p>Even after a written report is submitted, the Safety Manager should take additional steps:</p> <ul style="list-style-type: none"> - Submit the findings to the decision-maker (typically not the investigator), who will determine what disciplinary action to take. (continued)

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		<ul style="list-style-type: none"> - Publish a formal review frequency that assures key processes and procedures are continually maintained in a risk-based ALAP state. 	<ul style="list-style-type: none"> - The decision-maker, either a high-level HR professional or a business leader, should be high enough in the organization to determine how people in similar situations have been treated. - Notify the employee who made the complaint that action was taken—even if details can't be shared for privacy reasons. - Reintegrate the employees involved back into the workplace, shifting focus from the complaint to the changes the investigation has brought about. -Remind managers retaliation won't be tolerated, and check back within six months to ensure there has been none. - Review the investigation to determine what could be done better the next time. - Look for patterns in complaints that may suggest training is needed to avoid similar problems.
How are Key Indicators Status and Trends Reported?	<p>There are numerous risks that your organization may identify during an internal audit, including:</p> <ul style="list-style-type: none"> Reputation risk Operational risk Transactional risk Credit risk Compliance risk Strategic risk Country risk Legal risk Vendor concentration risk IT/Cybersecurity risk <ul style="list-style-type: none"> - Identifying these risks during an internal audit is the first step. - Creating a plan to remediate any risks will assure your organization is ready for an external audit. 	<ul style="list-style-type: none"> - Risk assessment and ranking of hazards or threats associated with procedural drift, anomalies, and/or frequency of irregularities - Cultural outliers that remain in a semi-permanent drift state 	
Measures of Prevention Effectiveness and Success	<ul style="list-style-type: none"> - CAR /CAPA risk ranking, scores - Aging Open Issues and related escalation 	<ul style="list-style-type: none"> - Key SMS Promotion efforts (Lessons Learned) - Continuing observation tool results validating initial findings 	