

**North Carolina Department of Labor
Occupational Safety and Health Division**

Administrative Information System

Administrative Procedure Notice 14

Subject: Internal Audits

A. Purpose.

This Administrative Procedure Notice (APN) describes the internal audit policy within the Occupational Safety and Health (OSH) Division and creates an internal audit function within the director's office. The purpose of the internal audit is to review the effectiveness of the bureau's quality plans, assure adherence with other policies and procedures, and assess customer satisfaction. This policy does not preclude bureaus from performing self-assessments or scheduling audits utilizing other independent personnel.

B. Background.

The division's quality policy (APN 13) requires each bureau to conduct periodic internal audits. Self-assessment is a viable means of continuous improvement. Since the implementation of quality procedures within the division, an independent audit function has also been in place. An audit function within the OSH director's office fills a void created with the elimination of the department's ISO/quality office. The internal audit process is also consistent with federal OSHA's State Plan Monitoring Procedures that require each state to implement an internal evaluation program and conduct periodic audits.

C. Scope.

The requirements in this APN will apply to each bureau within the Occupational Safety and Health Division.

D. Responsibilities.

1. APN 13 requires each bureau chief to develop a quality plan that includes an internal audit component. Independent internal audits are also conducted by the lead auditor in the OSH director's office.
2. The bureau chief will assure that personnel performing internal audits are independent of processes being evaluated.
3. The bureau chief and the lead auditor from the director's office will assure that members of their audit team are technically qualified, and knowledgeable of auditing methods and the areas being evaluated.
4. The lead auditor(s) assigned from the OSH director's office will plan and conduct internal audits of bureaus within the division.

E. Procedures for Conducting Independent Internal Audits.

1. The lead auditor will meet with the bureau chief to schedule an internal assessment and agree on the scope of the audit.
2. The bureau chief or designated bureau contact person will provide the lead auditor with

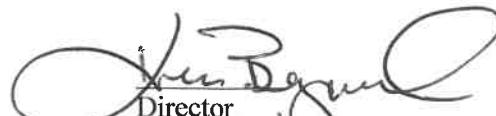
any procedures requested and serve as a bureau contact during the audit.

3. The audit will be managed by the lead auditor. Depending on the size of the audit, qualified employee(s) from the bureau being audited, who is/are not directly affected by the audit, might also be added to the audit team. This can provide the audit team with bureau-specific knowledge and allow the bureau employee to broaden their perspective relating to bureau operations. Other trained division personnel can be added to the audit team as the scope of the audit dictates
4. An opening and closing meeting will be conducted by the lead auditor with the bureau chief or their designee. The primary purpose of the opening conference is to explain the scope of the audit and describe the audit methods and procedures. The closing conference is the opportunity for the lead auditor to share audit findings, ensure understanding of audit results, and receive feedback from the Bureau relating to the audit process.
5. If the audit is not proceeding as indicated during the opening conference, the bureau chief can request approval from the director to terminate an audit at any time.
6. It will be the policy of the audit team to adhere to the established scope of the audit unless issues uncovered during the course of the audit necessitate expansion of the audit scope. Such expansion will be discussed with and agreed on by the bureau chief.
7. The lead auditor will share the draft audit report with the bureau chief. If the auditor has misinterpreted or misrepresented established bureau procedures used as the basis for writing a nonconformity, the draft audit report may be revised.
8. The lead auditor, with input from any audit team members, prepares the audit report. The report will consist of a listing of all nonconformities, and any observations including recommendations. An action request form will be prepared for each nonconformity. The action request form will be the bureau's mechanism for responding to nonconformities addressed in the audit. The audit report will be submitted to the bureau chief, with a copy for the director.
9. In situations where nonconformities were discovered, a follow-up audit may be conducted to determine the progress made toward correcting the problem and / or the lead auditor may coordinate meetings and communications to remedy and resolve the non-conformities.
10. The lead auditor or other members of the audit team will keep bureau management informed of issues as they are identified during the audit but will maintain confidentiality of such issues outside the Bureau during the audit process. Breaches of confidentiality could be grounds for dismissal from an audit team.

F. **Expiration.** This APN is effective on the date of signature. It will remain in effect until revised or canceled by the director.


Michael

Lead Auditor


John B. Dugan
Director

10/11/14
Date of Signature