



ASQ TORONTO FALL SEMINAR 2010

*“ISO 9001, ISO 14001 & OHSAS 18001”*

*Know Your Risk - Reduce your Risk”*

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Your Full Service Risk Management Provider

# RISK!

- Think about It!!
  - What were your risks today?
  - What Protected you?
  
- What could have gone Wrong?
  - What would it have cost ?
  - Why do we ignore it?

# RISK DEFINED



Occurrence of the event

X

Impact of the event

=

**RISK !**

# RISK MANAGEMENT

- Is a structured approach to Managing Uncertainty related to a threat (Risk),
- a sequence activities including:
  - [risk assessment](#),
  - [strategies](#)
- developed to manage , and mitigation of risk using managerial resources.

# POTENTIAL RISK TREATMENTS

- Once risks have been identified and assessed, all techniques to manage the risk fall into one or more of these four major categories:
- **Avoidance** (eliminate)
- **Reduction** (mitigate)
- **Transference** (outsource or insure)
- **Retention** (accept and budget)

# MANAGEMENT SYSTEMS

- Risk management is simply a practice of **systematically** selecting **cost effective** approaches for **minimising** the effect of **threat** to the **organization**.
- All risks can never be fully avoided or mitigated simply because of financial and practical limitations.
- Therefore all organizations have to accept some level of residual risks.

# MANAGEMENT SYSTEMS

A management system is defined as:

*“A system to establish policy and objectives and to achieve those objectives*

*Note: A management system of an organization can include different management systems, such as a quality management system, a financial management system or an environmental management system.*

ISO 9000:2005, 3.2.2

# MANAGEMENT SYSTEMS

- Focus on a structured methodology to effectively identifies risk potential and deploys activities to mitigate that risk.
- Effective **Systems** Should :
  - Tell you what is working
  - Tell you what is not working
  - Tell you where you are in compliance and where you are not
- Effective **Management System** Should through conformance of the system provide:
  - Manage the risk of what is not working to ensure protection
    - Customer, Employees, shareholders
  - Improve the results of what is working
    - Continuous Improvement



# CONFORMITY VS. COMPLIANCE

## Conformity:

- Fulfillment of a requirement
- Nonconformity can lead to suspension or revocation of registration
- Prevent/ lose customer contracts / lose integrity
- ***Voluntary***

## Compliance:

- Fulfillment of legal/statutory requirements
- Noncompliance can lead to fines/incarceration
- ***Mandatory***

# MANAGEMENT SYSTEM

- Is a conformity based activity using process controls , definitions, procedures etc. that when followed can equal
  - Compliance to Regulation
  - Compliance to Customer Specifications
  - Reduced Risk
  - Increased Performance
  - Financial - help you make money
  - Due Diligence



# COMMON RISK TO EVERY COMPANY

1/ Product - Product warranty / Recall

- ISO 9001 based activities

2/ People - Health & Safety

- OHSAS 18001 based activities

3/ Community - Environmental

- ISO 14001 based Activities

4/ Legal – Compliance to Regulations

- All three based activities

# KEY ACTIVITIES

## 1/ Management Structure

- Defines ownership, responsibility and accountability

## 2/ Documentation Structure

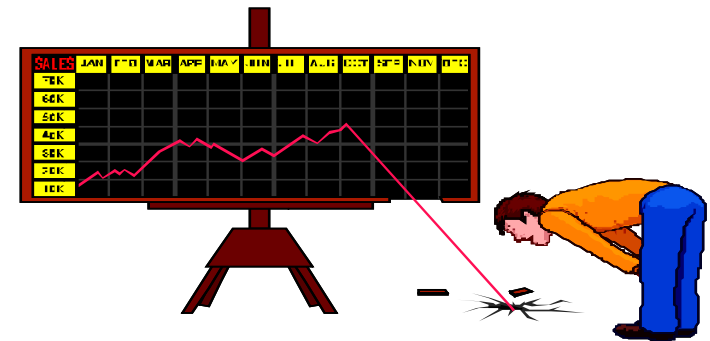
- Defines requirements to control activity

## 3/ Records Structure

- Validates the completion of the structure

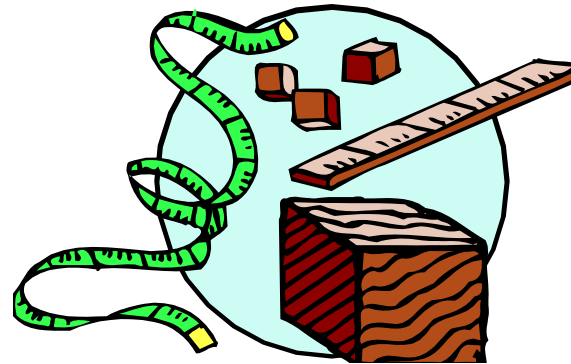
## 4/ Performance

- Validates effectiveness of a structure



# PRODUCT CONTROLS

- Supplier control
  - Risks
  - How are they controlled
  - Does the supplier have the control
- Internal
  - Process validation
  - Maintenance
  - Inspection & Test
  - Calibration
  - Do we have control



# PEOPLE CONTROLS

- Competence
  - Identified , Controlled, Validated, Managed
- Safety
  - Bill C45 -Safety related
  - Employees / Visitors / Subcontractors
- Environmentally
  - Legislation compliance
  - Employees / Visitors / Subcontractors
  - Community
- Quality
  - Product related
  - Productivity, warranty, recalls
- Privacy - information – records



# COMMUNITY CONTROLS

- Environmental / Health & Safety Risk
  - MSDS
    - Safety
  - Spillage
    - Records reporting
  - Disposal
    - Transportation of dangerous goods
    - Contractors
    - Landfill
- Legal Obligation & Compliance
  - Risk can be large
    - Take all your profits



# LEGAL CONTROLS

- Compliance to regulation
  - Didn't know – not acceptable
  - Records are key
    - No record of compliance = Non-compliance
- Effects all aspects of the company
  - Product design
  - Health & Safety
  - Environmental
- Helps manage and reduce risk!!





# ISO 9001/ ISO 14001 /OHSAS 18001

- ISO 9001:2008 Focus
  - Product
  - Customer ( internal , external + end user)
  - Profitability
- ISO 14001:2004 Focus
  - Community, County, Province etc.
  - Environmental Awareness / reduction & preservation
- OHSAS 18001:2007 Focus
  - Employee
  - Accident awareness / reduction & prevention

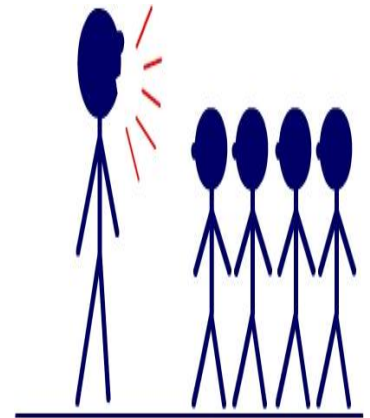
# LEGAL

- All three standards have a high linkage to legal compliance and ownership
- 14001 & 18001 specify control methodologies
  - 4.3.2 - Legal and other requirements
  - 4.5.2 - evaluation

## 4.3.2 LEGAL AND OTHER REQUIREMENTS

The organization must establish a consistently used method for:

- Identifying and accessing legal and any other related requirement that it has to meet
  - Keeping information on legal and other requirements up-to-date
  - Communicating relevant information to all personnel and interested parties
- 
- Why is this done?
    - To promote awareness and understanding of the legal and other responsibilities of the organization.



# 4.5.2 EVALUATION OF COMPLIANCE

The organization shall:

- Establish, implement, and maintain procedures for periodically evaluating compliance with applicable legal requirements
- Keep records of the results of the periodic evaluations



## 4.5.2 EVALUATION OF COMPLIANCE

- New clause within the 2004 and 2007 versions of ISO 14001 & OHSAS 18001
- Broken down into 4.5.2.1 and 4.5.2.2
- 4.5.2.1 – Legal Requirements,
- 4.5.2.2 – Other Requirements.

# 4.5.2.1 – LEGAL REQUIREMENTS

- Consistent with commitment to compliance, the organization shall:
  - establish,
  - implement
  - maintain
    - periodically evaluating compliance with applicable legal requirements.
- The organization shall keep records of the results of the periodic evaluations.

## 4.5.2.2 OTHER REQUIREMENTS

- The organization shall evaluate compliance with other requirements to which the organization subscribes.
- The organisation may wish to combine this with the activity in 4.5.2.1 or to establish a separate procedure.
- Organization shall keep records of the results of the periodic evaluations.

## 4.5.2 EVALUATION OF COMPLIANCE

- In 4.3.2, the organisation determines which legal and other requirements apply to the organisation.
- This clause requires the organisation, at a period it determines, to review the legal and other requirements and assess their compliance against the requirements.
- You must go through the legal and other requirements section by section and determine compliance.



## 4.5.2 EVALUATION OF COMPLIANCE

- For each legal and other requirement to which the organisation subscribes, the relevant portions need to be picked out and assessed.
- An affirmative or negative statement of compliance is not acceptable.
  - For example – we comply with the OHSA.

## 4.5.2 EVALUATION OF COMPLIANCE

- The person or persons who complete the evaluation must prove competence through training, education and experience.
- Records must be available for the person or persons completing this evaluation to prove the above statement.

## 4.5.2 EVALUATION OF COMPLIANCE

- The period for which these evaluations must be completed is not explicitly stated in the standard.
  - Should be based on your systems and controls
  - Your risk

# HOWEVER...

- If this isn't demonstrated,
  - Your registration is at Risk
    - no recommendation can be put forward
    - not even if you have a corrective action in place stating you know it is not done.
- Check your Conditions of Contract with Registrar.

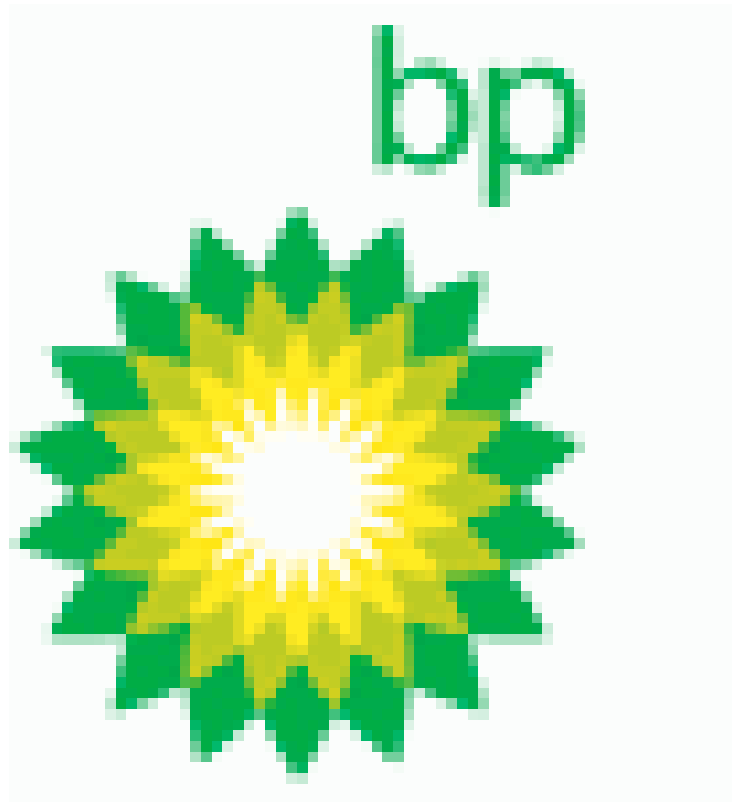
# REASON

- Focus on due diligence.
- This part is very weak and poorly done by the majority of organisations.
- Lack of understanding of requirement so it was made into a stand alone clause.
- Liability
- Corporate / company and management Ownership !

# POSITIVES FOR HAVING A 3<sup>RD</sup> PARTY COMPLETE THE COMPLIANCE AUDIT

- 3<sup>rd</sup> party Consultants are able to make the report and subsequent findings
  - privileged/confidential and therefore restrict access.
- Outside party brings a fresh perspective.
  - Broad knowledge of environmental & Health & Safety legislation.
- Competencies
  - If report is not completed by someone with adequate knowledge,
  - it requires more work on the part of the third party auditor
    - to determine whether the report is sufficient,
    - complete and meets the requirements.
  - Reduction of risk to the company

# WHAT DOES THIS SYMBOL MAKE YOU THINK OF?



# DOES THIS HAPPEN AT YOUR PLACE!

- Identified Risks / Failed to Manage
- Failed systems
  - MAINTENANCE
  - EMERGENCY RESPONSE
  - COMPLIANCE AUDIT



# CMSI CAN HELP YOU!!!

- Complete compliance audits
  - Analyzing your risk
  - Identifying your gaps -
- Evaluate /Develop Environmental Aspect & Impacts
  - Identify, clarify and risk rank methodologies
- Evaluate /Develop Health & Safety Hazard / Risk
  - Identify, clarify and risk rank methodologies
- Help identify ways for Understanding your own risk
  - put controls in place

# CMSI CAN HELP YOU!!!

## We provide the following Services

Training - on site custom / public programs

Consultation

- build or improve systems
- Increase performance & effectiveness

Audit – 1<sup>st</sup> , 2<sup>nd</sup> & 3<sup>rd</sup> party

- Management systems
- Compliance
- Procurement

Experience World Wide!

**Thank You!!**

**Our Team is here to  
assist you in your  
success!!**