

# Assurance for the Board: Safety Culture, Systems & Performance

- Pipeline
- Mining
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## Assurance for the Board – Safety Culture, Systems & Performance

Corporate Safety, Responsibility, and Sustainability groups have improved information collection processes over the past few years through the implementation of management systems, improved safety culture surveys, data collection systems and other tools. However, Safety Science believes there is great improvement still to be made in providing the level of Assurance that Executive Groups and Corporate Boards really need.

### *Are we getting the right information?*

### *Are the right questions being asked?*

Statistics used by Corporations are generally a good tool for evaluating how an organization is performing. Safety Science believes that Executives and Board of Directors need to ensure their tools include more than just statistics, and include information on the effectiveness of controls in the organization. How many organizations have we seen that have had good statistics, trending is down and looking positive and “out of the blue” a catastrophic event occurs, an “accident”. Recent spectacular incidents have raised the importance of collecting the right information to judge an organization’s performance and capability to prevent recurrence.

### **Is past performance being measured? Or are we measuring capability to prevent incidents?**

### What is Corporate Governance ?

Corporate Governance is typically defined as the “way in which an entity is controlled and directed”<sup>1</sup> and includes the organizational structure, systems, expectations, standards and other mechanisms. The AS-8000 standard outlines that good corporate governance principles are designed to:

- Enhance organizational performance.
- Understand and manage risks to minimize the negative aspects and maximize the opportunities.
- Strengthen shareholder and/or community confidence.
- Allow entities to demonstrate how they are discharging their legal, shareholder and ethical obligations.

Safety Science believes these principles can be used for safety, environmental and sustainability efforts to drive asking the right questions and getting the right information.

From a Governance perspective we believe Executives and Boards need to provide more formality in the questions they ask of senior management. Safety Science identified the following key questions all Board of directors, Executives and Senior personnel should ask and is provided in the adjacent figure.

These questions form the basis for an effective governance organization. The answers come from a formal Assurance program.

#### “Governance” Questions for Executives and the Board

##### Systems

- Do we have right systems in place?
- Are they adequate and comprehensive?
- Are they effective?
- What are our highest material risks and are they being mitigated adequately?
- Do we have ongoing regular material risk identification and review processes?
- How do significant risks identified in our organization get channelled to the decision makers in an open and transparent way?
- What is our regulatory compliance status including special permits, operating licenses and conditions?
- Do we have the organizational structure that supports the systems and culture strategies?
- Do we have the right organizational capabilities?
- Do we have our organization controlled adequately to prevent catastrophic incidents?
- Do we get to the contributing causes of serious injuries and incidents?

##### Culture

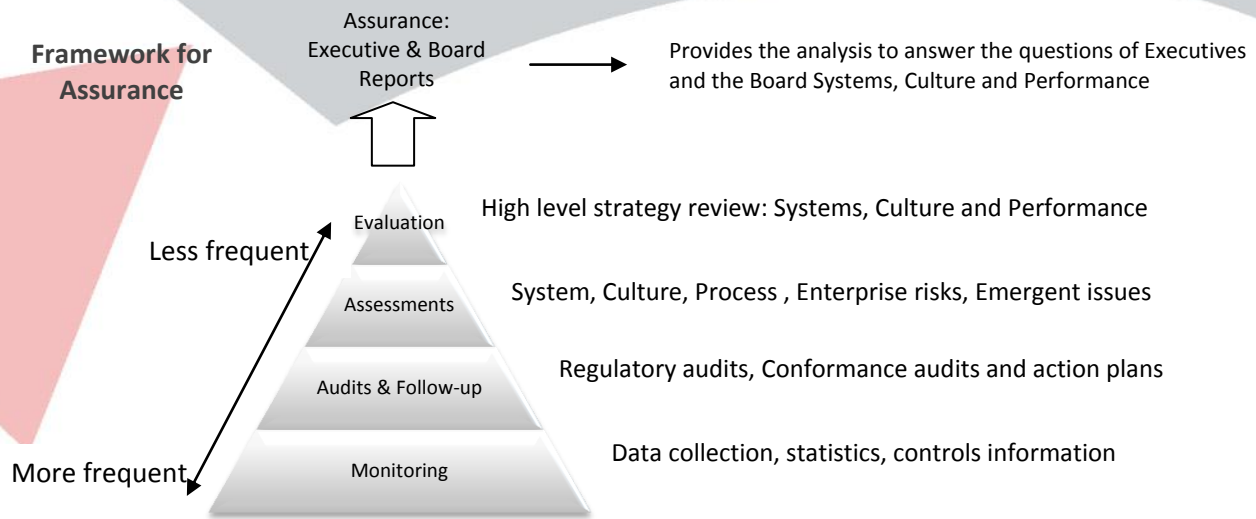
- Do we have a good understanding of our safety culture and climate?
- Do we have a culture strategy?
- Are we measuring progress towards our desired culture?

##### Performance

- Are our safety statistics comparable with industry?

<sup>1</sup> AS8000 Corporate Governance 2003 – Good Governance Principles, Standards Australia

**What is Assurance?** Assurance is typically defined as providing assurance to a set of expectations or a standard(s). In other words, are we getting an accurate picture of the safety culture, systems and performance? The following outlines the key mechanisms that make up an Assurance framework and function.



**How does an organization collect and compile the right information?**

Safety Science believes the answer lies in a comprehensive approach based on the collection of information through various mechanisms. These mechanisms range from data collection on statistics and trends, to audits/follow-up, assessments and formal evaluations. The compilation of different data sets allows for generating insight to answer those key questions and provide Assurance.

**Evaluation**

- Data collection and analyses from assessments, audits, and monitoring.
- High level review of the three (3) categories of Governance: Systems, Culture and Performance.
- “Is what we are doing good enough?”
- Includes a review of the strategic direction, initiatives, positioning
- Are the business plans taking us in the right direction?
- Determine if enterprise level risks are being managed adequately
- Are recommendations providing a sustainable resolution of issues?

**Assessments**

- Data is used from system and culture assessments
- Determine the adequacy of systems, culture, processes
- Determine if the desired outcomes are being realized in operations and the field
- Ensure enterprise risks and emergent issues are being identified, assessed and managed

**Audits and Follow-up**

- “Do we do what we say we do?” and check to ensure sustainability?
- Status of regulatory compliance

**Monitoring**

- Data collection to determine “How well are we doing?”
- Lost time incident rate, EMR?, Spills, Severity of Incidents

Formalizing the right questions will provide Executives and Boards with the right information so they can make the right decisions. Aligning the Corporate processes to provide the right information will allow for more effective Assurance reports and improved capability to prevent incidents.

Contact us for more information on how to set up the Assurance functions and reporting mechanisms.

*In pursuit of our clients achieving Operational Excellence*

### Corporate and Board Consulting

- Organizational Strategy and Vision
- Governance Standards
- Corporate Reporting and Processes
- Organizational Structure and Accountability Frameworks
- Culture Strategy
- Enterprise level risk assessment
- Executive workshops
- Internal controls and self-assessments

### Organizational Leadership

- Culture and climate strategies
- Leadership frameworks
- Behavior inventories
- Coaching for Success

### Performance

- Performance Analysis
- Fatality Investigations and Organizational Assessments
- Forensic analysis
- EHS metrics tracking, design and reliability
- Incident Learning / Lessons Learned

### Other Services

- Contractor management programs
- Field assessments
- Construction Project Safety Programs

### Systems

- International EHS standards consulting (14001, 18001, ANSI, ILO, CSA)
- Integrated systems - QHSE
- Hazard, Risk and Control focused approaches
- Compliance assurance management systems
- EHS Integration with Enterprise Risk Management functions

### Assurance, Audits & Assessments

- EHS Compliance Audits - federal and all Canadian provincial requirements
- Management System Assessments
- Assessment Program design and development
- Mining Association of Canada TSM performance indicators Verification

### Programs

- Fatigue and Shift-work Programs
- Emergency, Crisis and Disaster Preparedness and Response Management Systems (Plans)
- Hazard Program Design and Critical
- Crisis / Disaster / Emergency preparedness assessment

### Training and Workshops

- Advanced Safety System Assessor
- Governance and Assurance System Design
- Advanced Incident Causation Models - Incident Analysis
- Risk and Control Techniques
- EHS Performance Improvement
- Advanced Contractor Management

### Other Safety Science Articles:

- Keeping the Workforce Focused
- Supervisory Leadership Behaviors
- Acting on Near Miss
- Managing Infractions
- Job Planning and Task Planning
- Effective Incident Causation & Trending - A better approach



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