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NAC Executive Insights

Safety Culture Series

Audits and Surveys Improve Your Safety System Management

Key Points

- Robust audit processes are essential continuous improvement tools for safety systems.
- Audits take multiple formats; they include formal and informal checks, surveys, and inspections.
- Different types of audits have various purposes. Use the right method for business needs.
- If managers/personnel ignore audit recommendations, your firm could face significant business risks.
- Audit protocols are often separate documents from work procedures and are critical to good audits.

Introduction

In today's world, if you are not keeping score, you are probably not playing to win. All businesses have procedures, protocols, operating instructions, work processes, checklists, etc., and these tools are meant to ensure reliable and consistent work outcomes that are safe, profitable, sustainable, and of high quality. Companies can have great written procedures, but how can management be assured that their employees and contractors are following their work processes correctly, providing "reliably right" outcomes, and are continuously improving? In short, the answer is audit, verify, audit again, and repeat.

Different Types of Audits

There are 4 different types of safety audits with these general descriptions:

1. **First Party Audit** – any type of inspection, walk-around, question or survey implemented by one person who is asking questions of people they work with every day
2. **Second Party or Peer Group Audit** – any type of audit performed by a group of company insiders on a similar group of company insiders
3. **Third Party Audit or Management Review** – any type of review undertaken by a group of company experts or managers who are external to the everyday work or external to the work location

4. **Fourth Party, External, or Regulatory Audit** – any type of inspection or survey completed by an external government or regulatory agency. There may or may not be advance notice of these audits.

Generally, First Party Audits are your informal, daily walk-arounds and inspections. Sometimes data is kept on what is seen, sometimes the finding is immediately fixed. Second Party audits need to be scheduled and their frequency is based upon the level of risk. Management reviews are generally held annually, and the period on the Regulatory Audits is normally infrequent.

Mental Stance When Approaching an Audit

Many employees and managers may look at audits as a potential negative or a “gotcha” moment. Others may see any audit as a “waste of time,” or a “tick the box” exercise that just gets in the way of “doing real work.” With thinking like this, audits are often dreaded, not embraced in the spirit of continuous improvement, and are more destined to fail. Leading companies take the position of “What can we learn from this audit to make our business better?” and “How often should we be repeating this learning process?” The truth is that a well-run audit or survey will bring forward details that could save the business from an unanticipated or invisible failure. If continuous improvement is cherished in the company culture, any audit opportunity can become a blessing in disguise and an opportunity for learning, from the Board to the most junior employee.

Key to a Successful Audit – The Audit Process and Audit Protocol

Every type of inspection or audit, no matter how formal or informal, requires 5 pieces of work: 1) development of the audit protocol, 2) execution of the audit, 3) summary and sharing of the results, 4) implementation of improvements or changes to the work processes/procedures, and 5) implementation of improvements to the audit protocol. The Audit Protocol itself is the overall governing document and consists of the following: 1) the items that will be reviewed, 2) the questions that will be asked, 3) the rubric for scoring any results or observations, 4) the reporting processes for results, 5) the timing and frequency of the next audit, and 6) the process to upgrade/improve the protocol.

Audits, inspections, and reviews of all types are being done every day by everyone. Many workers and supervisors rarely even think about it, because “it is just how we do quality work.” Some companies have a special group or separate team that is expressly accountable for developing, holding and executing audits and safety inspections. Many companies embed this into their line organizational roles and make people accountable for executing their work AND improving their personal execution. Both set-ups work; however, the management team must ensure that the improvement work is done. More complex audits of manufacturing or construction sites will often have inspection procedures and protocols that may be longer than the written procedures the workers are following to do the work.

Findings from audits offer opportunities to improve the way work is being performed. Findings also provide management some assurance that work is being conducted in line with the intended policies and procedures of the company.

Audits Fail Your Business When Managers Fail Your Audit!

Simply put, audits fail when management does not understand nor embrace a continuous improvement mindset. The annals of business history are full of examples where management either did not understand, did not know, or knew and ignored issues until it was too late to effectively address the situation. Many companies are no longer in business or are smaller today because they either did not have an audit process, did not value what they were being told and ignored the input, or did not diligently follow up on their audit recommendations.

Conclusion

Audits are an important part of business. Staff your audit teams with your best people and use your audit processes to gain insights into how to improve your business AND your safety. Ensure that your firm's management invests the time and resources needed.

About the Author

Deborah Grubbe was elected to the National Academy of Construction in 2013 and to the National Academy of Engineering in 2023. She is owner and president of Operations and Safety Solutions, LLC, a global consultancy that works with various industries. She is a former member of the NASA Aerospace Safety Advisory Panel and worked on the U.S. Chemical Weapons Stockpile Demilitarization. She also serves on numerous advisory boards and is an emeritus member of the Center for Chemical Process Safety.

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