



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

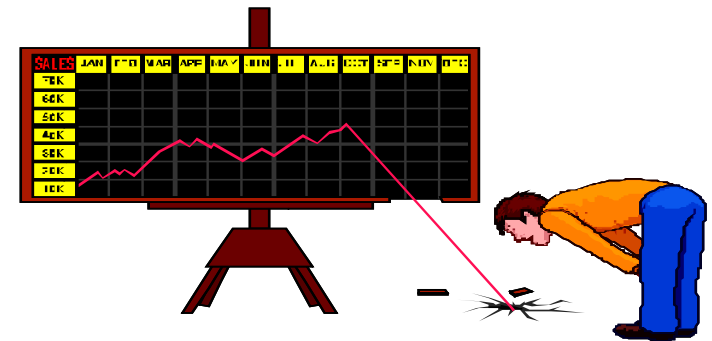
- Defines requirements to control activity

3/ Records Structure

- Validates the completion of the structure

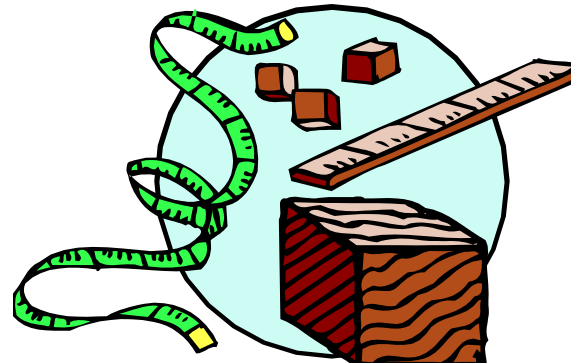
4/ Performance

- 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

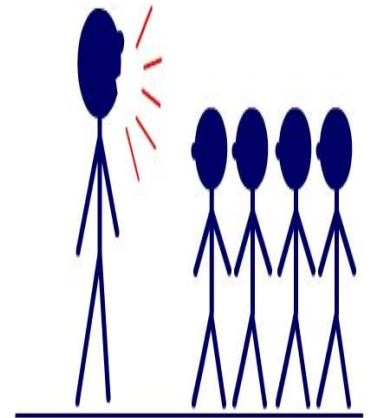
LEGAL

- 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.

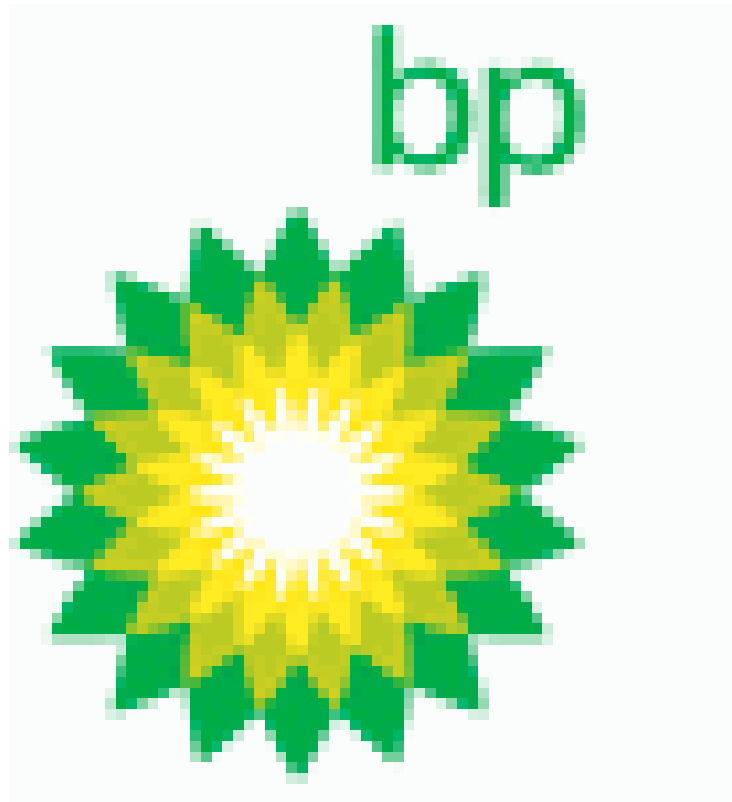
REASON

- 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 3RD PARTY COMPLETE THE COMPLIANCE AUDIT

- 3rd 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 – 1st , 2nd & 3rd party

- Management systems
- Compliance
- Procurement

Experience World Wide!

Thank You!!

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