

Development of PSM/Corporate Management System Action Plan Streamlines Conformance Effort While Addressing Audit Findings

The Challenge:

Handling a large amount of audit findings can be overwhelming. One site of a major oil and energy company needed to address **over a 1,000 audit findings** from multiple internal Process Safety Management (PSM) and Corporate Management System audits. The company recognized the workload, including internal and external verification, was significant and, in many cases, repetitive. They partnered us to develop an action plan that would maximize efficiency, streamline the process, and eliminate repetition.

Client Description

Company	Major Oil & Energy Company
Industry	Oil & Energy
Annual Revenues	\$30 Billion
Employees	83,400 employees
RISK, Inc. Solution	Audit Conformance Action Plan

The Solution:

RISK, Inc. team members took the results of the audits and grouped them according to Corporate Management System elements; ensuring that all PSM related items were identified and addressed within the corporate elements. Then, a team of company staff was identified for each category and led through facilitated interactive planning sessions. The intent was to develop a plan that would address the audit findings while simultaneously considering existing Corporate Management conformance plans and also ensure compliance with legal standards.

This project was a key component in developing an overriding Corporate Management conformance plan while addressing the audit action items. This was a systematic and comprehensive effort to:

- Analyze the audit findings;
- Develop an executable plan using recognized methods from program management practices.

The effort included OSHA's Process Safety Management (PSM) and the client's Corporate Management System action items. The goal was to:

- Logically and consistently group action items;
- Identify duplicate action items;
- Identify activities that could be combined or reworded to reduce overall work load while still ensuring compliance with both legal and corporate standards;
- Identify manageable timeline to completion. The timeline result is the start of a planning schedule for managing audit action item closure and Corporate Management System conformance.

Methodology

The method used for this project was developed by RISK, as there was no standard methodology available. The specific steps used were:

- Group all findings, PSM and Corporate Management System, by corporate sub element
- Group sub elements into themes
- Identify timeline required by audit due dates
- Conduct interactive planning sessions
- Develop and/or integrate recommended timeline for Corporate Management System conformance
- Develop recommendations for combining or rewording action items

Grouping by Corporate sub-element

The audits were conducted against both PSM and Corporate Management System compliance, with findings under elements of each program. Many of the PSM and Corporate Management elements are similar and in some cases identical in nature, making it more efficient to group action items into similar categories. It was decided that the PSM items would be grouped by corporate sub-element as there were a larger variety of corporate sub-elements. It was further decided that there would be a focus on developing a conformance plan for corporate sub-elements and include any PSM action items that did not fall within those sub-elements into the overall project timeline. It should be noted that not all corporate sub-elements were taken through this process; there were a total of 12 sub-elements that were addressed.

Interactive Team Sessions

RISK, Inc. worked with company employees to identify persons responsible for the conformance plan of each corporate element and those responsible for the audit action items. These people were then involved in the interactive team sessions. The teams laid out the action items on a large format timeline by due date. They then worked to determine the appropriate order of items and any major activities that would need to be performed in order to complete the audit action item. During the interactive sessions some audit findings were identified for combination or rewording to improve audit closure and efficient conformance.

The Result:

The resulting large format timeline formed the basis of a planning schedule that can be developed for management of audit findings closure and corporate conformance. The interactive team sessions allowed for increased communication between PSM and other staff and a greater awareness of the interconnectedness of the two management systems. The site benefitted from time savings, and therefore cost savings, by eliminating duplicate efforts.

In follow-up with the site six months later, company employees confirmed the ease of use of the plan. The project has enabled the teams to address the issues one at a time and continue to steadily progress through the plan.

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