

RPF – 13 & 14 May 2009

AUDIT FEEDBACKS ASPASA / SARMA

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To be Covered

ISHE

- Introduction
- Audits vs Inspectors
- Why does Aspasa do health and safety audits?
- What about health and safety in the Broad Mining Industry?
- ISHE vs Presidential Audits
- Problem Areas Identified
- Documented Safety Management System
- Occupational health and safety training
- Performance measurement
- Structures and Responsibilities
- Audit Results

To be Covered

About Face RSA Audit

- Introduction
- Why does Aspasa do Environmental Audit
- Audits vs Inspection
- Problem Areas Identified
- Structures & Responsibilities
- Strategy
- Audit Results
- Conclusion

To be Covered

SHREQ

- Why does Sarma do the SHREQ Audit?
- 2008 Results
- What it was..
- Concerns
- Sarma health and safety audit
- Renewed focus

ISHE AUDIT



ISHE 18001 (Aspasa Health and Safety Audit)

Introduction

Protocol of the 2008 ISHE Audits were to:

- Check what was done to close the gaps identified during the 2007 Gap Audits,
- Check follow-up and corrective actions implemented after accident/incident investigations,
- Verify implementation of the documented Safety Management System in the day-to-day activities,
- Check the state of the technical installations
 - Workshops
 - Crushing plant
 - Quarry
 - Electrical installations

Audits vs Inspections

- An audit is not an inspection of facilities, but rather to verify if inspections were done and findings recorded.
- An audit would rather check what non-conformities were identified and what follow-ups were put in place and if these were actually achieved.
- Aspasa has combined the audit with inspections as a need identified by the Members.

Why does Aspasa do Health and Safety Audits

- The Mine Health & Safety Act applicable to Aspasa member operations!
- All borrow-pits, rock dumps and other operations fall under MHSA. (Road Builders needs to know this)
- Aspasa members identified a need some years ago to have an outside body audit operations.
- Company members who are on the S A Stock Exchange need to ensure H&S is attended to. **Beware of Share Holder Activists.**
- Overseas controlled companies want neutral, outside body to audit the operations to ensure no “surprises”.

Why does Aspasa do Health and Safety Audits

- Head Office/Management/Directors want to know that down the line there is some watch-full eye.
- One auditor doing all operations \pm 130, does share experience / knowledge and gives advice.
- Auditor, independent and highlights crucial issues.
- All members are ensured that their operations are at a certain legal compliance level.
- The audits are developed by the industry for the industry and adapted yearly to fine tune.
- A service to members at a reasonable fee (fixed).

What about Health & Safety in the Broader Mining Industry?

- Mining industry in SA targeted for high accident rates. (More road deaths & construction deaths).
- During 2007, former President, Mr Tabo Mbeki, called for audits on mines.
- This was the first time the whole industry was “audited”.
- All mines and commodities were assessed.
- Focus was on people, policies, structures, procedures to address H&S.
- Ill health and not only accidents were covered.

What about Health & Safety in the Broader Mining Industry?

Categories covered in the audit:

- Mine design and maintenance
- Legal Requirements
- OHS Policies
- Risk Management
- Codes of Practices
- OHS Training
- H&S Representatives and Committees
- Explosives Control

What about Health & Safety in the Broader Mining Industry?

Problems Identified

- Occupational health risk management.
- Codes of practices.
- Consulting employees.



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ISHE Audit Results vs Presidential Audit Results

- Presidential Audit divided SA Mines in 5 categories – Gold, Platinum, Coal, Diamond and Other. Aggregate and Sand Producers were classified under “other”.
- Compliance of all Mines = 66%
Compliance of “Other” = 60%
- The average points achieved by ASPASA Members with the ISHE Audit = 79%
- Only high risk mines were audited by the Presidential Audit Teams, as all ASPASA Members were audited with the ISHE Audit.

Problem Areas Identified by Aspasa

ISHE 18001

- Condition of machine guarding.
- Following lock-out procedures.
- Accident and incident investigations with related revision of risk assessments and procedures.
- The effective use of information gathered through the hygienist surveys.
- Control of ablution facilities, food preparation areas and hostels.

Documented Safety Management System

- Safety comes first, but when production pushes employers tend to forget about safety standards.
- There are still too many cases where the documented system does not reflect the condition of safety in the workplace.
- There was a rush from 2007 to get a documented system in place, but it is not yet fully implemented.
- Still a lot of “copy-and-paste” techniques, and not making it site specific.

Documented Safety Management System

- Smaller operations are struggling to get the correct system in place – shortcuts.
- In some cases not enough money made available to manage safety.

Occupational Health & Safety Training

- Safety Induction training programs are in place and re-induction is taking place in most cases on an annual basis.
- In most cases this is the only OHS training provided.
- Not everybody is carry out a training needs assessment to compile training and workplace skills plans.
- No evidence of claiming rebates through Seta's for accredited training.

Performance Measurement

The following are only those that were reported to ASPASA and is not a general reflection for the whole industry:

- 3 X Fatalities for the year
- 5 X Armed robberies for the year (one resulted in a fatality)

Some operations only record Disabling Injuries, and would never know what the risk or possibility to that is if they don't record and manage other accidents and incidents.

Structures and Responsibilities

- Appointments are made, but not all responsibilities are spelled out and frequently reviewed.
- Those that are carrying out inspections are not all appointed with responsibilities.
- Those that have the benefit of a full safety structure are focused on continual improvement on a day-to-day basis, but
- Those that have a one day a month consultant do not have the benefit of every day focus.



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Audit Results

- There has been a general increase in points achieved.
- In most cases management is focused to do the right thing to implement sustainable safety systems.
- Those accidents that still take place can be reflected on human behaviour – requirement for behaviour based safety programs, and not only paper driven.
- Employees are not always involved in formulating procedures and consulted in changes in the workplace. If asked about the documented system, they do not know about it (a generalised comment).

How does Aspasa Point System work?

- Showplace = 95+%
- 5 Shields = 90 – 95%
- 4 shields = 80 – 90%
- 3 shields = 70 – 80%
- 2 shields = 60 – 70%
- 1 shield = 50 – 60%

For final 2008 results please visit ww.aspasa.co.za

A wide-angle photograph of a large-scale open-pit mine. The mine is characterized by numerous horizontal terraced levels of dark, layered rock. The top of the mine is a grassy hillside under a clear blue sky. In the lower right portion of the image, a yellow haul truck is visible on a dirt road. The foreground shows a dark, rocky area with several white markers or posts.

ABOUT FACE RSA AUDIT

About Face RSA 2008 Audit

Introduction:

The Purpose of the About Face 2008 Programme was:

- To bring the existing EMS more in line with the ISO 14001 Standard.
- To determine the level of improvement on Environmental Management achieved since the previous audit cycle in 2006.
- To assist Quarries in improving their Environmental Management.
- To visually verify compliance with legislation and other requirements applicable to the Quarry.

Why does Aspasa do Environmental Audits

- Helps Members ensure they are “legal compliant”
- Idea was seen in USA, some 15 years ago.
- USA system looked at entrance & public perception outside the gate.
- Aspasa About Face focuses on inside of quarry.
- Acts that are applicable are:
 - 🌸 MPRDA (Mineral Petroleum Resources Development Act).
 - 🌸 Environmental Legislation
 - 🌸 Water Act
 - 🌸 Many other acts apply
- Service to members
- Stock Exchange listed companies vulnerable to criticism.

Rehabilitating the future

Eagle Canyon - from quarry to golf estate with ASPASA's help

ASPASA - Aggregate and Sand Producers Association of Southern Africa's' purpose is to set standard and guidelines with regard to Health, Safety and Environmental issues. ASPASA members deliver services and products of the highest standards.

ASPASA also assists members in dealing with issues such as Technical, Human Resources, illegal mining and other legal issues on their behalf.

Don't you want to be part of a better, rehabilitated future?

Choose a credible aggregate and sand supplier -
choose an ASPASA accredited supplier.

Go to www.aspasa.co.za see a list off ASPASA members
and to find out what ASPASA can do for you.



Audits vs Inspections

- An audit is an systematic, independent and objective verification of the situation at the facility at the time of the site visit, supported by written evidence where applicable, as well as an physical inspection of the operation and structures.
- Inspections are conducted on a regular basis by the employees at the Mine to verify compliance with Procedures and to ensure that the day to day operations are conducted in line with the required standards.

Problem Areas Identified

- Knowledge of the Legislation applicable to the Mine.
- Outdated or no Mining licenses.
- Outdated EMP reports and reports in unusual formats.
- Performance assessments not conducted and submitted.
- Oil and oil spill management and damaged containment facilities.
- Independent Mines do not have the resources to develop and maintain an elaborate EMS as required by the ISO 14000 Standard.
- Renewal of Mining Licenses and EMP Reports dragging on.

Problem Areas Identified

- Due to insufficient resources allocated to Environmental issues, documentation and operating procedures are not maintained or implemented.
- Environmental Management is often still regarded as an “add on”, rather than an integrated way of managing the business.
- Because Environmental Audit is not currently a legal requirement as the case is with Health and Safety, it is regarded as not important by some.
- Poor quality of aspect registers, indicating a lack of understanding of environmental principles. Often done by health and safety consultants.
- Quite often Safety documentation is copied, only with the word “safety” replaced by “environment”.
- Outdated Contact details and Mines canceling at the last minute

Structures and Responsibilities

- Environmental appointments are not currently a legal requirement as for Safety. Mines are , however , encouraged to appoint persons to be responsible for specific Environmental components of the operation. This ensures that these issues are addressed.
- The ISO 14000 Standard requires that persons be formally appointed to manage Environmental components of the EMS.
- Often persons conducting activities are not aware of the legal requirements applicable to the operation.
- Consultants are frequently appointed to manage Environmental Documentation on behalf of the Mine. Although this practice has benefits, it could have the disadvantage that Mine Managers are not always in touch with environmental issues on the Mine.
- The “Corporate” groups have Head Office departments that manage some Environmental aspects. It was , however, found that some Mines have had very little assistance from these Head Office groups.

Strategy

- The aim of the ASPASA About Face RSA Programme is to facilitate continual improvement in Environmental Management and to improve the public image of the Industry.
- In order to achieve this, the Environmental Audit Programme is revised continuously.
- The 2008 programme was brought in line very closely with the requirements of the ISO 14001 Standard, which has a much greater emphasis on formalised documentation.
- Due to the change in focus, most Mines had achieved a final score that was lower than the previous cycle. On average the Industry scored 5% lower than in 2006.

Audit Results

Several new entrants were audited during 2008

- Two Mines achieved more than 95% (Showplace)
- Fish Eagles were awarded as follows:
- Five Eagles: (90% - 95%) - 19 Mines
- Four Eagles: (80% - 90%) - 37 Mines
- Three Eagles:(70% - 80%) - 16 Mines
- Two Eagles : (60% - 70%) - 6 Mines
- One Eagle: (50% - 60%) - 2 Mines

Four Mines had improved their performance since 2006, whilst 47 mines had achieved a reduced score. This can be ascribed to the programme being tougher than the previous round.

Conclusion

- In general, a positive attitude towards Environmental Management was experienced.
- Mine Management is committed to comply with legislation.
- Some incidents still occur, mainly in hydrocarbon management.
- This can be addressed by more awareness training.
- Environmental procedures, where these are in place, are not always communicated effectively.
- Support from Head Office functions could be more effective.
- The level of Environmental Management on ASPASA member Mines has improved markedly during the past ten years, due to the efforts of both the ASPASA Management and Mine Management.

Conclusion

- The continued increase in the number of participants seems to indicate that members feel that the programme adds value to their business.
- New entrants, mainly the independent Mines, feel that they are not ready for ISO 14001, or that the system is too cumbersome for their needs.
- A two-tier system is recommended, with less focus on some of the requirements of ISO 14001 for new entrants and those independent Mines that prefer it, and the current ISO focused Audit for the Corporate Groups.
- The About Face RSA programme will continue to improve and assist Member Mines to improve their environmental performance. It has, since its inception, contributed significantly to improve the public image of the Mining Industry, and facilitated better relationships with the Authorities.

SARMA SHREQ AUDIT



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Why does Sarma do the SHREQ Audit?

- Standard set for Readymix concrete.
- All other processes when building need some certification, ie, electrical, roof trusses, plumbing etc, not foundations.
- SABS 878 standard basic.
- SABS 878 only for quality of RMC.
- Sarma's SHREQ wider and stricter – Self Regulation.

Why does Sarma do the SHREQ Audit?

Covers:-

- SAFETY
- HEALTH
- ROAD TRANSPORT
- ENVIRONMENTAL ISSUES
- QUALITY AND TECHNICAL ISSUES



Would you buy DVD's from a street corner?

No? – well then why buy unaccredited concrete?

The manufacture of high quality concrete at the proper consistency is a process that requires tight control, as well as the right mix proportions of quality materials. To achieve this, the batching plants have to be of a specified standard and regularly maintained.

All SARMA members comply with the SARMA "SHREQ" - Safety, Health, Road Transport, Environmental and Quality Standards.

By contacting a SARMA member you can be assured that you will be dealing with a credible Readymix concrete supplier.

For more information on becoming a SARMA member, a list of our members, and more call (011) 498 7265 or go to www.sarma.co.za



SHREQ – 2008 Results

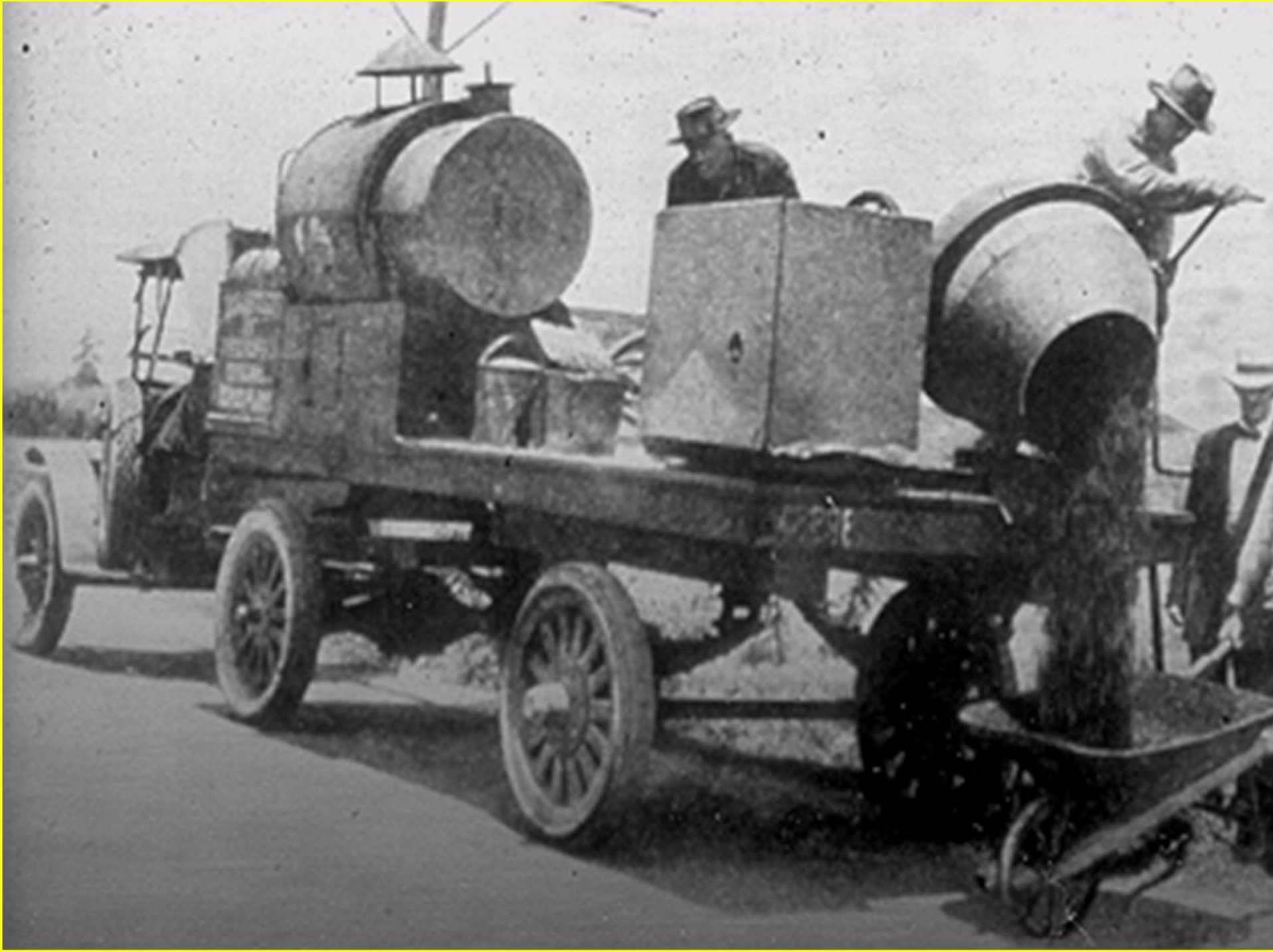
- Second year conducting on the combined five (5) legs:
 - Safety
 - Health
 - Road Transport
 - Environmental
 - Quality

Results 2008

- In 2008, a total of 237 plants were audited.
- Plants that don't pass have 3 months to fix – then be re-audited.
- All Sarma member plants shall be audited.
- Those that pass – are accredited.
- Lists are put on website & published in press.

SHREQ

- The scoring of members during 2007 dropped with 10 to 20%, however in 2008 it rose again with 10 to 20%, indicating that members are improving.
- It is clear that most members do not understand the basic principals of ISO/SANS methodology such as:
 - Having standards for all five SHREQ legs.
 - Compiling a proper GAP analysis as required by the ISO 18001 document.
 - Setting proper objectives
 - Setting targets and scheduling the targets which:-
 - Enables one to do proper reviews
 - Conducting Risk Assessment in terms of legal requirements



Concerns

- Increasing Safety issues
- Some plants were in a “comfort zone”
- Changing pressures to conform to legal statutes



Sarma Health and Safety Focus

- Specific to RMC
- Measure of compliance
- Instant results
- With action list

What it was...

- Some RMC plants were using programs from various suppliers, NOSA, Technilaw, MBA and private consultants.
- Own “in house” program used in Gauteng region.

Renewed Focus

- The auditor is not a checklist checker.
- The operation is able to set its own level of compliance requirements and that is what it will be measured against. (Note- Legislation will be the minimum requirement).
- The scope for improvement is unlimited.

**We need to continually strive
to do better**

...and build on tomorrow!!

Thank you for listening!!