

# INTERNAL AUDIT CHECKLIST CONTRACTOR SELECTION AND MANAGEMENT

Audit No: \_\_\_\_\_ Date: \_\_\_\_\_ Auditor(s): \_\_\_\_\_

Item	Compliance	Remarks
Has OTML established and maintained standards and procedures that articulate the requirements and processes associated with: <ul style="list-style-type: none"> <li>• Suppliers</li> <li>• Purchasing</li> <li>• Strategic sourcing</li> <li>• Warehouse and inventory management</li> <li>• Logistics</li> </ul>		
Have the roles and responsibilities for all personnel involved in these processes been defined?		
Has standardised selection criteria been established in accordance with this standard?		
Are contractors and suppliers required to satisfy OTML's standard pre-qualification assessment, providing the following information: <ul style="list-style-type: none"> <li>• Documented risk assessment(s)</li> <li>• Audit / review of the contractors OHSMS</li> <li>• 5 year history of their SHEC workplace performance / statistical data</li> </ul>		
Where it has been identified that a contractor does not have an appropriate OHSMS, are they required to adopt or work under OTML's IMS?		
Has a register of approved contractors and suppliers of service, plant, equipment and materials been established and maintained by OTML?		

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Are periodic reviews conducted for contractors and suppliers as per the pre-defined schedule?		
Is consideration given to local contractors and suppliers throughout the selection process?		
Does the purchasing and strategic sourcing process give consideration to quality, lifecycle costs, risk and SHEC?		
Has a register of all approved plant and materials been established and maintained by OTML, with review periods and critical spares clearly identified?		
Has criteria been established to determine whether a contract is classified as minor or major?		
Has a scope of work and risk assessment using OTML's risk matrix been conducted for each purchasing or strategic sourcing process or contract of work (or contract variation)?		
Does someone of the appropriate authority level approve contracts (or contract variations)?		
<p>Does purchasing and strategic sourcing include a process for the evaluation of contractors that includes:</p> <ul style="list-style-type: none"> <li>• A level of detail that is appropriate to the contract classification?</li> <li>• A definition of who may undertake contract evaluations and the composition of the evaluation team</li> <li>• A standardised SHEC self-assessment outlining all hazards associated with the works/services to be provided</li> <li>• Prior contract performance including SHEC, technical and commercial performance</li> <li>• Results from site visits and audits</li> <li>• Reference checks – for major contracts</li> </ul>		

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<ul style="list-style-type: none"> <li>• Consideration of local contractors</li> <li>• Opportunities for community development</li> </ul>		
Do major purchasing and strategic contract submissions include SHEC requirements that are prepared and reviewed by OTML's SHEC personnel?		
Do major contracts include a management plan that addresses OTML's SHEC requirements, and cross-reference them to OTML's IMS?		
Prior to commencement of work, is the contractor management reviewed and accepted by the appropriate OTML authority, and include a risk assessment with appropriate controls in place for all activities to be performed?		
Do contracts for supply of services include all of the requirements set out in this standard?		
Do contractor's tools and equipment meet OTML's standards, and are maintained and used in accordance with the manufacturers and other statutory requirements?		
Are required tools and equipment licensed, calibrated and tested in accordance with the required timeframes, and records retained and maintained by the contractor?		
Are contractor tools and equipment inspected by OTML periodically, with records of these inspections maintained on file?		
Do delegated site or project representatives conduct periodic assessments of field activities performed by contracts to assess the level of conformance with their contractor management plan?		
Are regular contractor review meetings held, at least every six		

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months, to review SHEC, technical and commercial performance as set out in this standard?		
Do contractor's provide OTML with copies of their self-audit reports for discussion at review meetings?		
Are minutes recorded and retained for all review meetings, and stored in the contract file?		
Are procedures in place for the acceptance, delivery, handling, storing and transporting of plant, equipment and materials?		
Do suppliers of plant and equipment provide critical information relating to the hazards associated with their plant, equipment and materials, including SDSs and chemical risk assessments?		
When hiring or leasing plant and equipment, are maintenance and calibration records, statutory inspection reports and certificates made available to OTML by the supplier?		
Do joint venture agreements include third party audit rights and SHEC expectations for all parties involved in the agreement?		
Does OTML maintain a register for all current contracts, that includes critical data such as: <ul style="list-style-type: none"> <li>• The contract value, level(s) of risk and key record dates?</li> <li>• Required insurances for each contract and evidence of their currency?</li> </ul>		
Are time driven contractual requirements, such as permits, licenses or insurances, included in OTML's management system?		
Does the system notify the responsible OTML contract manager to ensure renewal occurs prior to expiry?		

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Is all critical contract documentation stored electronically, in a central location, and accessible to relevant OTML personnel?		
Are all key OTML personnel, who are assigned responsibilities for contract management, trained to a level that is commensurate with their involvement and responsibilities?		
Are all contractors required to undergo appropriate workplace inductions prior to the commencement of a contract?		
Are performance measures assessed in accordance with the prescribed timeframes set out in this standard?		

**Key:**

<b>Exceed</b>	Requirements with this score exceed obligations. No corrective action required.
Action NA	
<b>Compliant</b>	Requirements with this score do not require corrective action. Opportunities for improvement should become a longer term goal once the quality system is established.
Low Priority	
<b>Minor N/C</b>	Requirements with this score require corrective action which should become a medium term priority. These are quick wins but you should focus on the major non-conformities first.
Medium	
<b>Major N/C</b>	Requirements with this score require corrective action which should become a high priority for rectification. These elements should be corrected by ensuring full implementation and documentation.
High Priority	
<b>Major N/C</b>	Requirements with this score require corrective action which must become an immediate priority. These elements must be corrected through process implementation and documentation.
Immediate	