



# Environmental Audit Procedure

## Environment

---

### 1 Purpose and Scope

This procedure specifies the operational environmental requirements relating to planning, conducting, recording and reporting internal environmental audits at the Roy Hill Project. This procedure applies to all personnel involved in activities at the Mine, Rail and Port operations where internal environmental audits are undertaken to ensure that activities are completed in accordance with legal and other requirements and to ensure sound environmental practice.

The requirements covering environmental inspections are included in the 'Inspection Procedure' (OP-PRO-00164).

### 2 Audits

#### 2.1 Scope

The scope of environmental audits may focus on one or more of the following:

- Legal requirements;
- Conditions and commitments from specific approvals (Ministerial Statements, Native Vegetation Clearing Permits (NVCP), Mining Proposals, Operating Licences etc.);
- Operating Principal Requirements or the summary Environmental Performance Standards; and
- Environmental Management System and ISO 14001 requirements.

#### 2.2 Schedule

A HSE integrated audit schedule is maintained to ensure that environmental audits are included in accordance with the frequency that is detailed in Table 1. The audit schedule is to incorporate risk based frequencies where appropriate, with higher risk activities being subject to an increased audit frequency.

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

Rev	Document Number	Author	Approver / BFO	Approver Signature	Issue Date	Review Date	Page
1	OP-PRO-00018	D Richards	Manager Environment & Approvals		13/10/2015	13/10/2016	1 of 11

# Environmental Audit Procedure

## Environment

Environmental Audit Type	Frequency and Scope	Responsibility
Operating Licence Conditions Audit	Annually for each licence	Environment Compliance Team
Ministerial Statement Conditions Audit	Annually for each statement	Environment Compliance Team
Tenement Conditions and Mining Proposal Commitments Audit	Annually for each Tenement and Mining Proposal	Environment Compliance Team
Native Vegetation Clearing Permit (NVCP) Desktop Audit	Annually per NVCP	Environment Compliance Team
Legal Requirements (CMO) Audit	Annually - Data integrity audit; ensures that source document requirements are captured accurately  12 months after go live and annually thereafter: Implementation integrity audit; ensures that requirements have been implemented.	Environment Compliance Team
Environmental and Social Management Plan Audit	Annually with a review every six months	Environment Compliance Team
Environmental Management System Audit	Within 12 months of commencement of operations and then every two years – covers the EMS requirements of ISO 14001 that are included in the OEMP and the EMS Manual	Environment Compliance Team
Operational Team Environmental Performance Audit	Quarterly, against a risk assessed selection of requirements from environmental Operating Principal Requirements relevant to the Operational Team's scope of works, with all relevant requirements covered within a 12 month period	Site Environment Team
Contractor Environmental Performance Audit	Quarterly, against a risk assessed selection of requirements from environmental Operating Principal Requirements relevant to the contractor's scope of work, with all relevant requirements covered within a 12 month period	Site Environment Team
Desktop Environmental Audit and Inspection Review	Annual review of inspection and audit processes to check for consistency and identify opportunities for improvement. The results will inform changes to processes and procedures.	Environment Compliance Team
Contractor Mobilisation Environmental Audit	Undertake within six weeks of mobilisation for each contractor with a scope of work that poses potential environmental risk, covering OEMP (EMS) requirements	Site Environment Team
Contractor Demobilisation Environmental Audit	Undertake prior to the demobilisation of each contractor with a scope of work that poses potential environmental risk, covering all relevant environmental Operating Principal Requirements including reporting requirements and outstanding corrective actions	Site Environment Team

Table 1: Environmental Audit Types, Frequencies and Responsibilities

Contractors are required under the Operational Environmental Management Plan (OP-PLN-00043) to undertake quarterly audits of their work to check their status of compliance against the relevant environmental Operating Principal Requirements. The relevant environmental superintendent may choose to approve a different frequency of audits for a contractor to undertake, based on the environmental risk posed by their scope of work.

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

Rev	Document Number	Author	Approver / BFO	Issue Date	Review Date	Page
1	OP-PRO-00018	D Richards	Manager Environment & Approvals	13/10/2015	13/10/2016	2 of 11

# Environmental Audit Procedure

## Environment

---

An Environmental Audit Schedule shall be maintained to detail the proposed dates for environmental audits and record the actual dates that the audits were undertaken, the personnel involved in the audits and the final audit scores (where applicable).

External regulators, such as the Department of Environment Regulation, the Department of Mines and Petroleum and the Office of the Environmental Protection Authority, may also request access to Roy Hill sites to undertake audits. Such audits will be communicated to the business by the Manager Environment and Approvals upon notification by the external regulator. This Procedure does not apply to external audits.

### 2.3 Auditor Requirements

The Lead Auditor for each environmental audit shall be determined by the relevant environmental superintendent, and together they determine whether a team will be formed and agree on the composition of the Audit Team. The size of the audit team will depend on the number of auditees and the number of environmental requirements to be audited, however, where possible, a site environmental representative should be included.

#### 2.3.1 Auditor Competency

All personnel conducting the environmental audits must have completed an accredited ISO 14001 environmental auditor training course. The Lead Auditor must undertake an accredited ISO 14001 environmental Lead Auditor training course and conduct a minimum of three audits within an Audit Team before taking on Lead Auditor responsibilities.

Subject matter experts may be included in an Audit Team in an advisory capacity where Audit Team members do not have the technical knowledge required for the audit.

#### 2.3.2 Lead Auditor Responsibilities

The Lead Auditor is responsible for the following:

- Scheduling the audit at an appropriate time;
- Planning the audit (including preparation of an Environmental Audit Terms of Reference and Audit Schedule);
- Pre Audit Activities including communicating with the Auditee(s) - e.g. contractor, operational team manager etc.;
- Leading the opening and closing meetings;
- Preparing and distributing the Audit Report for squad review and approval;
- Capturing audit findings in the Roy Hill action management system;
- Assigning audit actions; and
- Reviewing close out of audit actions.

### 2.4 Audit Terms of Reference

Every environmental audit shall have a brief Environmental Audit Terms of Reference developed by the Lead Auditor that clearly outlines what is being audited, when, where and by whom. This can be in the form of an email for a simple audit, or as a separate document for a complex audit with a number of auditees. The Environmental Audit Terms of Reference shall be reviewed and agreed with the Auditee(s) at least two weeks prior to the Audit, and if an Auditee does not agree with the Environmental Audit Terms of Reference, the Auditee shall discuss this with the relevant environmental superintendent.

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

Rev	Document Number	Author	Approver / BFO	Issue Date	Review Date	Page
1	OP-PRO-00018	D Richards	Manager Environment & Approvals	13/10/2015	13/10/2016	3 of 11

# Environmental Audit Procedure

## Environment

---

The Environmental Audit Terms of Reference shall contain, as a minimum:

- The audit scope (i.e. the activity/facility that is the focus of the audit, including the physical and operational boundaries);
- The objective of the audit (e.g. to determine the level of compliance with approval conditions);
- The methodology to be used to carry out the audit (e.g. desktop assessment and/or onsite verification);
- A list of the Source Documents containing the environmental requirements (e.g. a specific licence, procedure, standard etc.) being assessed for compliance during the audit;
- A copy of the Environmental Audit Criteria Table template (to be populated with findings during the Audit);
- Proposed timing of the audit activities (Environmental Audit Schedule);
- Identification of audit team members; and
- Identification of the Auditees' representative(s) for the audit (i.e. the key contact person who will organise the logistics of the audit, including scheduling interviews with personnel and access to facilities, equipment and documented records).

Note that there may be more than one Auditee if a site-wide approval is being audited, and in such cases, the Environmental Audit Terms of Reference will need to be sent to each Auditee.

### 2.5 Audit Schedule

Dependant on the complexity of the audit, an Environmental Audit Schedule may be required. For simple audits, the Audit Terms of Reference can be used to propose times for interviews and visits to audit locations. For more complex audits encompassing large facilities and multiple interviews, the preparation of an Environmental Audit Schedule in consultation with the Audit Team members will assist with planning the audit activities.

Where an Environmental Audit Schedule is required, the audit work areas and specific audit activities shall be identified. The Lead Auditor shall assign audit work areas and audit activities to Audit Team members and communicate the Environmental Audit Schedule to the Auditee(s).

### 2.6 Pre-Audit Activities

Prior to conducting the audit, the Lead Auditor shall undertake the following:

- Notify all relevant parties for an audit date at least two weeks prior to the audit date;
- Notify all relevant parties on the Environmental Audit Terms of Reference prior to the audit;
- Complete a desktop assessment and collection of environmental evidence available on DMS;
- Compile a list of remaining evidence to be assessed, and communicate the list to the Auditee(s);
- Communicate clearly that all audit evidence (documents, records etc.) is to be prepared by the Auditee(s) and made available on the day of the audit to avoid a non-conformance finding;
- Finalise the timing and location of the opening and closing meetings; and
- Outline the Environmental Audit Schedule to the Auditee(s).

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

Rev	Document Number	Author	Approver / BFO	Issue Date	Review Date	Page
1	OP-PRO-00018	D Richards	Manager Environment & Approvals	13/10/2015	13/10/2016	4 of 11

# Environmental Audit Procedure

## Environment

---

### 2.7 Conducting the Audit

#### 2.7.1 Opening Meeting

Audits shall commence with a brief Audit Opening Meeting chaired by the Lead Auditor. Attendees from the Auditee(s) should include personnel who ensure that sufficient resources and support are provided to the Audit Team. Emphasis should be placed on communicating the audit's aim of continual improvement rather than the identification of non-compliances.

The following information should be conveyed using an Environmental Audit Meeting Agenda:

- Introduce the Audit Team members;
- Briefly present the Environmental Audit Terms of Reference;
- Outline the proposed Audit Schedule;
- Outline the resources and facilities needed by the Audit Team; and
- Request an update of relevant safety, emergency and security procedures.

Approximately half an hour should be scheduled for this meeting to ensure that the meeting does not run for too long.

#### 2.7.2 Auditing

Audits shall be conducted to assess the conformance of an activity/facility against specific audit requirements. Objective evidence of conformance and non-conformance shall be collected and recorded. To ensure a thorough audit, the Audit Team should undertake the following throughout the audit:

- Gather information by taking notes and asking open questions to relevant personnel to encourage a detailed response;
- Examine relevant documents (e.g. monitoring records, written procedures, site plans, process diagrams, meeting minutes);
- Gather tangible evidence of compliance and non-compliance by means of:
  - A photographic record; and
  - The collection of photographed, scanned/copied related documents and records.
- Make findings of compliance or non-compliance against each of the relevant Audit Criteria;
- Make relevant recommendations where there is an opportunity identified to improve environmental practices or where insufficient compliance evidence is available;
- Document any observed environmental compliance issue or risk that is outside of the scope of the Audit Criteria; and
- Complete the Environmental Audit Criteria Table with the audit evidence and draft findings.

Audit Criteria are to be noted as either compliant or non-compliant based on the evidence available. Draft corrective actions are to be outlined in the Environmental Audit Criteria Table for findings of non-compliance, recommendations and observations.

#### 2.7.3 Audit Closing Meeting

An Audit Closing Meeting with Auditee management representatives and other relevant attendees shall be conducted by the Lead Auditor. Emphasis should again be placed on communicating the audit's aim of continual improvement rather than the identification of non-compliances.

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

Rev	Document Number	Author	Approver / BFO	Issue Date	Review Date	Page
1	OP-PRO-00018	D Richards	Manager Environment & Approvals	13/10/2015	13/10/2016	5 of 11

# Environmental Audit Procedure

## Environment

---

The following information should be conveyed:

- Introduce the draft Environmental Audit Criteria Table with the audit evidence;
- Present an overview of the draft Audit Findings to date to minimise “surprises”;
- Advise that audit results may change as additional information comes to hand;
- Request any outstanding documentation that may be required to be provided by the Auditee(s) to enable to finalisation of the draft Audit Report;
- Revise the status of any previous non-conformances and recommendations;
- Note the expected timeframe for the final Audit Report;
- Provide Auditee(s) with the opportunity to raise concerns, query or discuss the draft Audit Findings;
- Request the responsible person for each action to be nominated (generally at a manager or supervisor level so that they can delegate to the correct person(s)) and the timeframe for their completion - where possible, the Auditor should establish agreement with the Auditee (s) on these during the audit;
- Note any corrections actions implemented at time of audit; and
- Provide a briefing on any findings that require immediate attention to minimise or prevent environmental impact.

Approximately one hour should be scheduled for this meeting to ensure that the meeting does not run for too long.

If agreement during the Audit Closing Meeting cannot be achieved, the Lead Auditor will meet with the relevant environmental superintendent and/or the Manager Environment and Approvals to discuss further and the issue(s) will be escalated as required until resolution.

If an Auditee is unable to provide any of the outstanding audit documentation requested to verify compliance, then the audit finding will be that insufficient evidence was provided to demonstrate compliance. As such, a recommendation should be raised in the first instance for the Auditee to provide the documentation, and if evidence of compliance is still unavailable when the following audit is undertaken, a corrective action should be raised for the Auditee to rectify the lack of documented evidence.

## 2.8 Audit Report

### 2.8.1 Contents

A draft Environmental Audit Report is to be prepared within 10 working days of the completion of the audit using the Environmental Audit Report Template.

The Environmental Audit Report shall contain the following information:

- The scope of the audit (i.e. environmental aspects covered in the audit, including physical location of the audit activity);
- Persons involved in the audit;
- Key findings of the audit outlined in Corrective Action Tables for the non-compliances, recommendations and observations found (the table columns are the Audit Table reference number, the condition/requirement, the finding, the corrective action, who is responsible and the due date);
- Recommendation for scheduled re-auditing (if required);
- An appendix containing the completed Environmental Audit Criteria Table; and

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

Rev	Document Number	Author	Approver / BFO	Issue Date	Review Date	Page
1	OP-PRO-00018	D Richards	Manager Environment & Approvals	13/10/2015	13/10/2016	6 of 11

# Environmental Audit Procedure

## Environment

---

- An appendix containing photographic audit evidence of non-compliance where applicable.

It is recommended that an email is prepared to the environmental superintendents of the Audit Team members plus any environmental superintendents relevant to the area audited, outlining the draft corrective action tables for non-compliances, recommendations and observations found. The environmental superintendents can then discuss the contents of the tables with contractor managers and action owners and provide their response so that the draft Environmental Audit Report can be confirmed as ready for squad review.

### 2.8.2 Contractor Audit Performance

The audit performance for contractors shall be determined as a percentage of compliant audit criteria against the total number of relevant audit criteria. The contractor Auditee should achieve a minimum of 80% in the audit. If the score attained is less than 60%, then a re-audit is to be scheduled within 30 days to confirm the status of the audit corrective action items. Where there are few audit criteria relevant to the contractor's scope of work, the relevant environmental superintendent may choose not to enforce a reaudit.

### 2.8.3 Review and Distribution

The draft Environmental Audit Report shall be sent for squad review to the following people:

- Auditee(s);
- Any personnel to whom draft actions from audit findings of non-compliance, recommendation or observation have been assigned;
- Audit Team members;
- Environmental superintendents of the Audit Team members plus any environmental superintendents relevant to the area audited; and
- Manager Environment and Approvals

A minimum of five working days should be provided for the squad review of the draft Environmental Audit Report, however this period may need to be extended if additional upper management review is determined to be required by the Manager Environment and Approvals. All reviews should be completed within this period and should concentrate on identifying incorrect findings, actions or responsibilities.

The Environmental Audit Report should be updated by the Lead Auditor based on comments received within three working days following the close of the review period.

If agreement on the Environmental Audit Report cannot be achieved, the Lead Auditor will meet with the relevant environmental superintendent and/or the Manager Environment and Approvals to discuss further and the issue(s) will be escalated as required until resolution.

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

Rev	Document Number	Author	Approver / BFO	Issue Date	Review Date	Page
1	OP-PRO-00018	D Richards	Manager Environment & Approvals	13/10/2015	13/10/2016	7 of 11

# Environmental Audit Procedure

## Environment

---

The final Environmental Audit Report shall be lodged into the Roy Hill Document Management System so that it can be issued to the General Manager HSE before being approved. The approved report is to be issued for use to the following people:

- Auditee(s);
- Auditees' supervisor/manager (if relevant);
- Any personnel to whom actions from audit findings of non-compliance, recommendation or observation have been assigned, and the general manager of the relevant department;
- Audit Team members;
- Superintendent Environment Compliance;
- Relevant environmental superintendent of Mine or Port/Rail;
- Manager Environment and Approvals;
- Contractor managers as relevant;
- General Manager HSE; and
- Other general managers as appropriate.

## 2.9 Post Audit Activities

### 2.9.1 Record Keeping

Audit reports, audit evidence and supporting information shall be saved in the Roy Hill Document Management System.

### 2.9.2 Corrective Actions

The Lead Auditor for the audit is to ensure that all audit corrective actions are entered into the Roy Hill Action Management System as soon as the final Audit Report has been issued.

Where a corrective action relates to a recommendation or observation, it should have that relationship noted at the start of the action. Where the corrective action from a recommendation or observation is also non-compliant against environmental Operating Principal Requirements or legislative/approval requirements outside of the scope of the audit, additional wording should be added noting the particular requirement and source document.

For each audit corrective action entered into the Roy Hill Action Management System, the specific action needed, the responsible person and the due date is required to be assigned. The due dates should be confirmed with the responsible person for each action (the Action Owner), to ensure that the due date is achievable. As a general rule, actions posing significant environmental risk should be completed within 3 days (as soon as possible) and all others within two weeks of being entered unless it is estimated that the action will take longer to achieve.

The Action Owner must undertake works to complete the actions within the Roy Hill Action Management System by the due date. If the Action Owner finds that an action will take longer to complete, they can request that the Lead Auditor or delegate extend the due date.

The Lead Auditor or delegate should monitor the actions in the Roy Hill Action Management System to ensure that actions have been closed out sufficiently within the specified time frame. Evidence that the action has been completed must be uploaded to the Roy Hill Action Management System by the Auditee (e.g. photographs or scanned documents).

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

Rev	Document Number	Author	Approver / BFO	Issue Date	Review Date	Page
1	OP-PRO-00018	D Richards	Manager Environment & Approvals	13/10/2015	13/10/2016	8 of 11

# Environmental Audit Procedure

## Environment

---

Should actions remain unclosed by the due date or if adequate evidence of completion has not been provided in the Roy Hill Action Management System, the actions will be escalated to the Action Owner's manager.

### 3 Audit Accountabilities

Unless otherwise specified, the following roles are accountable or responsible for the activities outlined in this procedure.

Role	Responsibility
General Managers	Accountable for ensuring that resources are available to support the implementation of this procedure where it is relevant to their area of responsibility
Managers	Accountable for the implementation of this procedure where it is relevant to their area of responsibility
Superintendents	Responsible for the implementation of this procedure where it is relevant to their area of responsibility
Environment Team	Responsible for review and update of this procedure

Table 2: Accountabilities

### 4 Abbreviations

Abbreviation	Definition
CER	Contractor Environmental Report
EMS	Environmental Management System
HSE	Health, Safety and Environment
ISO	International Standards Organisation
NVCP	Native Vegetation Clearing permit

Table 3: Abbreviations

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

Rev	Document Number	Author	Approver / BFO	Issue Date	Review Date	Page
1	OP-PRO-00018	D Richards	Manager Environment & Approvals	13/10/2015	13/10/2016	9 of 11

# Environmental Audit Procedure

## Environment

### 5 Definitions

Term	Definition
Audit	A systematic, independent and documented evaluation of evidence to determine the extent to which the defined audit criteria are fulfilled.
Auditee	Leader of the area of the business that is the focus of the Audit.
Auditee's Representative	Personnel nominated by the Auditee to accompany the Audit Team members, provide compliance evidence against audit criteria and assist with access to work areas.
Inspection	An organised examination or formal evaluation of an activity or facility against a requirements checklist.
Lead Auditor	The individual designated either to carry out an Audit or to lead the team designated to carry out an Audit. The Lead Auditor shall always be independent of the activity or asset being audited.
Operational Environmental Requirements	A plan, procedure or work instruction that must be complied with.
Terms of Reference	A document that defines the focus, scope, objective, audit criteria, methodology, timing and reporting of an Audit to be performed.

Table 4: Definitions

### 6 References

Document number	Title
000RH-0000-RH-STD-0015	Monitoring, Audit and Review Standard
OP-TEM-00042	Environmental Audit Criteria Template
OP-TEM-00043	Environmental Audit Meeting Agenda Template
OP-TEM-00044	Environmental Audit Report Template
OP-TEM-00045	Environmental Audit Schedule Template
OP-TEM-00046	Environmental Audit Terms of Reference Template

Table 5: References

Note that up-to-date environmental documents should be accessed from the e-Care Roy Hill intranet portal to ensure that the current version is being used.

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

Rev	Document Number	Author	Approver / BFO	Issue Date	Review Date	Page
1	OP-PRO-00018	D Richards	Manager Environment & Approvals	13/10/2015	13/10/2016	10 of 11

# Environmental Audit Procedure

## Environment

---

### 7 Review

This Procedure is to be reviewed as follows:

- Following the grant of or modification to relevant approvals;
- Annually; or
- As a result of findings or actions identified through inspections, audits and incident reporting.

Reviews are to examine the appropriateness of this Procedure, taking into consideration corporate, system and compliance requirement changes since the last review was undertaken.

THIS DOCUMENT IS UNCONTROLLED IN HARD COPY FORMAT

Rev	Document Number	Author	Approver / BFO	Issue Date	Review Date	Page
1	OP-PRO-00018	D Richards	Manager Environment & Approvals	13/10/2015	13/10/2016	11 of 11