

National Logistics Safety Code (NLSC) Audit Framework



Purpose of audit framework.....	3
How the principals and rules relating to the code will be amended.....	3
Principals relating to the conduct of audits	3
The audit process	7
Principals relating to the conduct of Auditors.....	9
The Auditor’s Code of Conduct.....	13
How an independent audit process should be developed.....	13
Principals relating to the conduct of the code.....	16
Use of the National Logistics Safety Code (NLSC) of Conduct logo.....	17
Media releases and enquiries	17
Administration Functions.....	18
Definitions & common terminology	19
Rating scale and guidance for Baseline / Compliance Review Audit matrix	24
Appendix A – National Logistics Safety Code Model	25
Appendix B – Audit Tool Element Category Summary	26
Appendix C – Audit Framework table explanation.....	27
Appendix D – Element 8 “ EXAMPLE ” : Safe Loads Preparation, Restraint / Containment.....	28
Appendix E – National Logistics Safety Code (NLSC) Audit Framework Feedback/Request for change form	29
Appendix F – National Logistics Safety Code (NLSC) Time Slot & Queuing Principles.....	30
<u>Supply chain focus</u>	31
<u>Realistic Scheduling</u>	32
<u>Technology / Equipment</u>	33
<u>Order Shipment and Accuracy</u>	34
<u>Metrics</u>	35
<u>Continual Improvement</u>	36
<u>Communication</u>	37
Appendix G – Sector specific Guides.....	38

Purpose of audit framework

Signatories to the National Logistics Safety Code (NLSC) must be subjected to independent audits to determine their compliance with the elements and criteria adopted by the Australian Logistics Council.

The independent audit process will: -

- § provide a recommendation as to whether a signatory conforms with the required elements; and
- § Identify opportunities for achieving continuous improvement in the signatory's commitment to the code.

There are two types of independent audits that are to be performed: -

A Baseline Audit (Gap Analysis) conducted within 90 days of signature, which consists of a review of the signatory's policies and procedures. The object of the audit is to gain an understanding of the signatory's processes and confirm that it either conforms or not conforms to the required standards / elements of this code.

A Compliance Review Audit is required to be conducted annual basis subject to any triggered audit in accordance with the National Logistics Safety Code (NLSC) Guidelines or amended rules.

Satisfactory outcome of a compliance review audit is a pre-requisite for continued compliance to the required elements.

During the development of the Code of Conduct it was considered desirable that the development and performance of independent audits should be carried out in accordance with a common set of audit principles. The principles have been grouped into two categories:

- § Principles relating to the conduct of an audit.
- § Principles relating to the conduct of auditors.

How the principals and rules relating to the code will be amended

The principals and rules will be periodically revised to reflect changes in the Code, new requirements and suggestions from users.

Revisions may constitute a part or the whole of this document. This is the first revision since the Code was introduced in 2008.

Any amendments must have a release number and date reflected in the footer.

Superseded rules should be removed from the document and replaced with the amended version.

Principals relating to the conduct of audits

Each signatory shall advise the Australian Logistics Council (ALC) within 14 days when each audit has been completed along with the name of the auditor, auditing team or body, audit completion date and the completion date of the Partnership Audit Review (PAR). All Auditors are required to notify the ALC within 14 days of the type of audit, name of the auditor, name of the company audited, location and date completed.

The ALC will maintain a register of audit details to which signatories to the code have access.

Baseline and Compliance Review Audits shall be carried out at the expense of the party being audited with the content of such audit reports to remain confidential between the signatory and the auditor, each signatory has an obligation to advise the ALC of any matters or issues arising out of any audit which might be relevant to any change in the code, assessment tool or responsibility matrix.

Each signatory is encouraged to advise the ALC of any matter or issues arising out of day-to-day operations, which may be relevant. The ALC encourages open dialogue with all signatories.

These rules will be periodically revised to reflect changes in the code, new requirements and suggestions from users. Revisions may constitute a part or whole of this document.

Where information is received via a complaint, which suggests that the signatory may be acting in contravention of the conditions of the code, the complainant may initiate a triggered audit. Before the triggered audit can take place, the complaint must be duly processed. A complaint may be received from another signatory or any member of the public, verbally or in writing. The ALC has the discretion not to act upon a complaint that relates directly to the conditions of the code and reserves the right not to act upon, or reply to, vexatious or anonymous complaints. Where a complaint is in writing, the ALC will respond to the complainant in writing. While a complaint is being investigated, the ALC will advise the signatory in writing of the complaint. If, after investigation, the complaint is substantiated, the ALC may take action against the signatory (see *Sanctions*) Principals Relating to the Conduct of the Code.

If action is taken, the ALC will keep a record of the complaint and action taken. This is to be filed with other information about the signatory and may be taken into consideration when renewing the signatory's continued participation (see *Renewal*) Principals Relating to the Conduct of Auditors.

Triggered Audits shall be carried out at the expense of the party calling for the audit unless other arrangements are agreed.

When triggered audits are conducted the performance of the Signatory's systems i.e. own policy and procedures against the elements set out in the Coded shall be examined with an emphasis on the issue that has triggered the audit.

Auditors engaged to carry out the National Logistics Safety Code (NLSC) audits must be auditors certified by the approving authority (RABQSA), which manages auditor certification and regularly reviews auditor performance and qualifications and maintains records of suitably qualified and experienced auditors. The current auditor-training course focuses on elements of the National Heavy Vehicle Auditor Accreditation and Transport & Logistics Training.

Audit findings will be based on information gathered from the signatory or persons performing functions in the signatory's operations and will be collected through: -

- § review of procedural documentation;
- § observation of processes;
- § Inquiry of personnel and examination of records.

The auditor when conducting compliance review audits will examine the underlying management controls against the relevant standards, the following is the recommended process: -

- § Obtain a copy of documented procedures and / or records management system(s).
- § Conduct the audit examining the performance of the Signatory's management systems against the intent of the standard described in the responsibility matrix and the self-help guide.
- § Produce an audit report using a standard report format using the matrix as a guideline.

The findings of an independent audit will be detailed in a summary audit report completed by the auditor or audit team. The audit report shall be provided on request to the other party in the case of a Partnership Audit Review (PAR) subject to approval by the Auditee.

It is vital for the credibility and viability of the code that signatory compliance be objectively assessed and monitored. This will be achieved through an *independent audit* process aimed at ensuring that signatories are meeting their commitment to the code. It is also important that consistency is achieved in the approach to the conduct and degree of audit, regardless of the location being audited.

This is necessary to achieve industry wide understanding and acceptance of the independent audit processes and the outcomes of individual audits.

This guide is intended to contribute to the achievement of this consistency by providing a general framework to be applied in the development and performance of independent audit processes. In particular it: -

- § Provides a common set of principles relating to the conduct of an audit and to the conduct of auditors. These principles should be followed in the development of the audit processes and the associated documentation, training and guidance given to auditors for each code of conduct element;
- § Provides a reference source of common audit terminology that will help foster consistent use and common understanding amongst those involved in the audit processes.

It is the responsibility of the signatory to provide appropriate and sufficient evidence to the auditor to demonstrate that compliance with the required element has been achieved and maintained.

The auditor will conduct the audit steps necessary to arrive at a recommendation of compliance / non-compliance. Auditors should take all reasonable steps to determine the validity of the information and evidence. However, it is recognised that auditors cannot identify all attempts to deliberately falsify records or other deceptions.

The findings of the independent audit will be based on: -

- § information gathered; and
- § Evidence of established practices and policies.

Findings will be based on information gathered from the signatory and / or persons or organisations performing functions on behalf of the signatory. Such information will be collected through review of procedural documentation, observation of processes, inquiry of personnel and examination of records.

Information will be gathered with a focus on the policy and procedures used by the operator to ensure compliance with the relevant code elements (and hence corresponding regulatory standards) at the date of the audit.

Findings will be based on evidence of established practices and policies and patterns of conduct. An isolated incident or event will not be sufficient evidence of either conformity or non-conformity. Rather, such an incident or event will be taken into account when making a finding, together with further evidence as to: -

- § The frequency with which similar incidents or events occur;
- § The importance or seriousness of the incident or event;
- § The period over which any such incident or event occurred and whether the signatory identified the incident themselves;
- § The corrective action taken by a signatory to prevent recurrence and its effectiveness.

In practice, the auditor will perform further work to determine the extent of non-conformity, e.g. increase the sample size.

As well as being consistent with the guidelines, there should also be consistency between reports to ensure that reports are comparable with each other. A standard report layout and scoring system is to be adopted to report the audit findings. This will avoid confusion or misunderstandings on the part of signatories when reading reports arising from different audits. Standard report layouts are included as Attachment "A" 'Audit Report'.

The findings of an independent audit will be detailed in an audit report compiled by the auditor or audit team. It is recommended that an audit report be completed every time an audit is

carried out and as a minimum contain a *Face Sheet*, *Audit Summary Sheet* and the *Observations and Comments (a summary of audit findings)* where a list of evidence that was presented to support and verify compliance with the element is described.

The auditee shall remain the proprietor of the audit report and upon approval by the auditee be provided to the other party in the case of a Partnership Audit Review (PAR) to ensure that it is consistent with the guidelines.

Audit working papers shall be developed for use in the audit. Standardised working papers must be used on all audits to ensure consistency between audits and auditors.

Working papers must be used and completed on all audits as documentary evidence of work performed and justification of the conclusions reached.

Audit working papers may be subjected to scrutiny or review (e.g. when a signatory appeals an audit finding or where an incident causes the audit outcome to be questioned). As such, the audit documentation needs to be comprehensive in terms of describing the work performed, evidence obtained and the basis of the outcomes reached.

Additional details to be included on each working paper are the name of the signatory operator being audited, the name or initials of the person preparing the paper and the date(s) of preparation.

Required working papers are specified in a comprehensive audit methodology and may include: -

- § Audit programs and checklists used for evaluating the code elements.
- § Meeting guides / notes.
- § Forms for documenting supporting evidence for conclusions reached (i.e. details of persons, documents, records, facilities and resources).
- § Forms for reporting audit observations.
- § Record of findings.
- § Issues logs.
- § Corrective action plans or suggestions for improvement.
- § Audit reports.

An audit will examine a signatory's compliance to all of the relevant standards and supporting criteria defined within the code's responsibility matrix subject to audit.

Unless specified otherwise, overall compliance will be based on a signatory's management systems meeting all the elements set out in the audit matrix and supporting criteria at the time of the audit.

The current audit matrix is divided into sections, which describe each element, criteria and the assessment step, which identifies what, must be done as a minimum in order to assess the question. An auditor is not limited to only reviewing the suggested step stated in the matrix; however the minimum requirements of the validation criteria must be achieved.

On reviewing the systems the auditor has to be satisfied that the Signatory's system addresses the relevant requirement for each validation criteria. This information should be recorded on the matrix.

The auditor should record details of what was sighted that indicates that the system was operating and that the processes were being adhered to, including dates of sampled documentation sighted and names of personnel interviewed.

Some of the things the auditor may be looking for are as follows: -

- Auditors may be looking for evidence that the process occurs the way described and may check to see if the details are being followed.
- The auditor may enquire who ensures that this method will happen the way it should.
- § Documented or formalised procedure detailing what is done when something goes wrong when carrying out a procedure.
- The auditor may ask who needs to know about certain tasks and when there are changes or alterations made, how this is communicated to relevant parties.
- § The auditor may ask employees / contractors or others to point to the location of written instructions, and explain the correct method for certain tasks.

- § The Auditor may be looking for evidence that the persons / positions who carry out tasks authorities and responsibilities are clearly defined, current and documented.
- § Documented evidence that those who carry out work are trained and competent to do so.
 - The auditor may seek out established, implemented and maintained procedures to manage the issue of documents.
- § The auditor may verify that current system documents are available to everyone and at all locations where work is done or being carried out.
- § Procedures clearly state how and by whom internal reviews are done with evidence of a review schedule.
- § Evidence that records are current, information is maintained at an accessible location and evidence of where changes to procedures have been made.
- § Distribution lists for particular information, topics or issues, copies of advisory memoranda, fact sheets, pictorial instruction brochures, posters and flowchart of processes.
- § The auditor may ask relevant managers explain or demonstrate how the organisation ensures the procedures or requirements relating to the standard are met.
- § The Auditor may inspect records to confirm minutes of meetings or records of discussion for any new requirements.
- § The auditor may look for how paperwork is generated, where the paperwork goes and what records of the process are to be kept.
- § The auditor may enquire who else has to complete paperwork.
 - The auditor may ask who makes any final decision(s).
- § The auditor may ask who has responsibility assigned for maintaining currency of information and training.
 - The auditor may look for documented evidence that those who carry out the procedures have been trained and that people carrying out tasks know what they are doing and are capable of doing what is required.
 - The auditor may look for methods that prevent repeat incidents.
 - The auditor may examine the outer limits of a procedure(s).

It is recognised that the audit may identify non-compliances (i.e. deficiencies in the characteristics, documentation or process implementation), which render a feature of a signatory's system as not fulfilling a specified feature of the element or validation criteria. It is also recognised that not all instances of non-conformance identified will have the same significance for achieving compliance with the element or validation criteria; i.e. the nature of some non-conformances may be more significant than others.

Where a non-conformance has occurred a corrective action is therefore necessary, a Corrective Action Request (if required) should be recorded on individual corrective action sheets. The auditor is to give the signatory the opportunity to confirm any misunderstandings, errors or questions of fact while the audit is in progress. As soon as the auditor has confirmed non-conformances the signatory should be notified of them.

The non-conformances noted should be formally communicated to the signatory in writing as part of the audit report after the audit visit. The audit report should not contain any surprises for the operator in terms of facts.

Following the conclusion of the audit, the auditor will provide a report on the outcome of the audit to the auditee only.

The audit process

Baseline Audits

The basis for the baseline audit should also be the assessment tool to establish whether the signatory complies with the requirements of the responsibility matrix.

An independent auditor will be required to confirm that processes exist and must be satisfied that appropriate measures have been taken to confirm compliance or that work towards

compliance with the Code has commenced e.g. that agreed action plans have been put in place and that any timelines have been met.

The Auditor will be required to validate the operation of the process as evidence of compliance with the code e.g. documented evidence of policies and critical processes e.g. Fatigue (signed completed Safe Driving Plans).

The Auditor will submit a report detailing all deficiencies or non-conformance(s) to the auditee.

Compliance Review Audits

Signatories are required to periodically demonstrate that they continue to maintain compliance. This will necessitate having their operations subjected to compliance audits. The objective of the compliance audit is to confirm that the signatory's systems, which include policy, procedures and SOP's has actually operated effectively and consistently for the period under review and complies with the elements of the code.

At the conclusion of the baseline audit period, each location under the signatory's control is subject to a scheduled compliance review audit for the subsequent two (2) years, subject to satisfactory results being achieved, an audit will be required once every two years thereafter unless a triggered audit is required.

Whilst no corrective actions is required for the baseline audit, the compliance review audit necessitates where a non-conformance has been identified and corrective action plans formalized (between the auditor and the auditee) a mutually agreed arrangements for the close-out date must be established.

Compliance with all the close-out arrangements can be managed in one of three ways: -

- § In the case of Partnership Audit Reviews (PAR's) an agreement between the two parties demonstrating completion of the corrective action plan(s).
- § A compliance statement for the Corrective Action Plan (CAP) forwarded to the auditor,
- § A return trip by the auditor to verify compliance to the Corrective Action Plan (CAP), these arrangements would be settled between the auditor and the auditee at the completion of the compliance review audit and be included as part of the corrective action plan.

Partnership Audit Review (PAR)

The basis for Partnership Audit Review (PAR) should be the assessment tool. The assessment tool is designed to assist each party to conduct a self-assessment to establish whether they believe that they comply with the requirements of the responsibility matrix.

In addition to completing the assessment tool to rate their own level of compliance, they will then use and complete the assessment tool rating their perception of their partner's performance in a Partnership Audit Review (PAR) e.g. a carrier will rate itself, then rate its partner (e.g. Consignee / Consignor as if responsible for that function). The partner will rate its level of compliance and then rate the carrier (as if it were the carrier).

Each party to rate themselves and to rate their partner's performance will use the same version of the tool. When both parties have completed the assessments they will jointly review their rating and the rating of their partner. Any gaps or anomalies will be identified and actions plans developed between the parties to enable a comparable rating.

Examples of the different types of relationships are; the Consignee and the carrier (inbound freight), the Consignor and carrier (outbound freight), the supplier or vendor (consignor) and the carrier, the store (consignee) and the carrier.

(Consignor / Vendor) < > (Carrier) < > (Consignee)

In this instance the carrier has a relationship with both the Consignor (vendor) and the Consignee. He will complete the assessment tool as the carrier (self rating), then his perception of the consignor and also the consignee.

In the case of the Partnership Audit Reviews (PAR's) each individual item will remain open (unresolved) until both parties can agree that the issue has been resolved to their mutual satisfaction. This is a critical part of the audit arrangement that each item has been closed out to the mutual satisfaction of the related parties in the chain.

The assessment tool when used for auditing should include provision for each party to sign off to confirm the appropriate actions have been completed or commenced (with timelines for completion) and that the action was deemed fair and equitable by both parties.

Principals relating to the conduct of Auditors

Integrity

Auditors must always approach the audit with honesty and sincerity.

Objectivity

Auditors (the individual) must be fair and must not allow prejudice or bias to override their objectivity.

The appearance of the objectivity of an auditor may be compromised if the auditor: -

- § is a near relative of the signatory;
- § has, does or will perform any operating function of operator or consultancy work for the signatory (e.g. assisted a signatory to develop its systems and procedures);
- § has a material benefit in the signatory's company or a direct competitor of the signatory;
- § has a substantial trading or business relationship with the signatory or a direct competitor of the signatory;
- § Accepts gifts or favors from a signatory.

There are several criteria in the National Logistics Safety Code (NLSC) audits, which cannot be evaluated on an objective basis, and the auditor will be called upon to make subjective judgments. However, the lack of objective criteria should not prevent the auditor from keeping his / her objectivity.

Independence

Auditors must be independent of the signatory being audited both in fact and in appearance.

Being independent means being free of any interest, which is incompatible with the principles of integrity and objectivity, as illustrated above.

Any potential conflicts of interest should be reported to the relevant Agency.

Independence of auditors will be enhanced by their rotation. In addition, different auditors to the auditors who carried out the scheduled compliance review audits should perform triggered compliance audits.

Confidentiality

Confidential information will only be requested where needed during the independent audit process. Auditors are obliged to safeguard and not divulge any information provided in confidence during the conduct of the audit.

The Auditor undertakes:

- i. To maintain proper and secure custody of all Confidential Information;
- ii. To use his/her best endeavours to prevent the use or disclosure of the Confidential Information by third parties; and
- iii. If requested to do so, promptly arrange for its employees, agents and / or subcontractors engaged in the performance of audit services to give written undertakings in a form prescribed by the Auditee relating to the non-disclosure of Confidential Information.
- iv. The Auditor must safeguard and not divulge information provided in confidence during the performance of audit services under an audit agreement to any person not entitled to the information.

In the event of uncertainty as to whether: -

- a- Any information is Confidential Information; or
- b- Any Confidential Information is lawfully within the public domain;

Such information is deemed to be Confidential Information and not within the public domain unless the Auditee advises the Auditor in writing to the contrary.

Principles

Auditors should carry out their work in accordance with the professional principles set out in this audit framework and in accordance with their Auditor certification.

The Auditor must ensure that audit reports are completed accurately and in accordance with the standards and time frames specified by the Agency.

The Auditor must behave professionally, maintain a neat and tidy dress standard, and be polite and courteous at all times.

In carrying out its obligations under an audit agreement, the Auditor must comply with all reasonable directions and procedures relating to occupational health and safety and security in effect at premises, or in regard to facilities, controlled by the Auditee.

The Auditor must not, without prior written approval of the Agency, subcontract any part of the performance of an audit agreement where an audit agreement is part of the code rules or guidelines. In giving written approval, the Agency may impose such terms and conditions as it thinks fit, and reserves the right to refuse any request for the subcontracting of the Auditor's performance of the audit agreement.

The Auditor must disclose all possible Conflicts of Interest to the auditee prior to entering into any audit agreement and must disclose any possible or actual Conflicts of Interest throughout the term of the agreement as and when they arise.

If during the term of an audit agreement, the Auditor becomes aware that a Conflict of Interest has arisen or may arise, the Auditor MUST disclose that Conflict of Interest to the Auditee in writing as soon as practicable thereafter.

The auditor may have no part in the set up of, on-going development of, or maintenance of the system being audited.

Audits that are combined with consulting activities cannot be used to meet the Code requirement for an independent audit.

Examples of consultancy audits include:

- i. Audits where advice was given on an action plan for developing / improving the system as part of the audit;
- ii. Audits where the auditor had a part in setting up the system; and
- iii. Audits where the auditor was involved in the on-going development of the system.

Industry Expertise and Specialist Skills of Auditors

In designing the Code elements / standards of compliance and appointing auditors, the Agency should have regard to prior industry experience and specialist skills required of the auditor to undertake the audit in an efficient and effective manner. Where specific industry expertise and specialist skills are required, they should be defined and incorporated in the criteria used to select audit service providers.

In some cases the audit team may not be reasonably expected to possess certain expertise or specialist skills (e.g. experience in warehouse distribution in considering receiving and dispatch procedures). In such cases, the audit process should include a mechanism whereby auditors may call upon expert assistance via the Agency, as and when required.

Audit Skills and Experience of Auditors

Persons conducting audits should be experienced auditors. The approving Agency administers the skill and experience requirements of an auditor deemed to be qualified to perform audits. The approving Agency maintains a register of auditors who are accredited or approved as qualified auditors.

Training

Auditors shall not conduct audits until they have undertaken training in the specific audit process. This training will include: -

- § introduction to the National Logistics Safety Code (NLSC);
- § understanding the Chain of Responsibility concept;
- § thorough knowledge of Compliance and Enforcement Model Bill;
- § explanation of the audit methodology, processes, work papers and other documentation used;
- § discussion and explanation of the relevant elements / standards, criteria and compliance indicators;
- § Provision of practical examples.

Supervision of Auditors

The Agency should supervise the work performed by auditors.

The extent of supervision of auditors by the Agency will depend on the Agency's assessment of the qualifications, training, skills and prior experience of the auditors.

Based on the above assessment, supervision may extend from a review of the audit report to a hands-on approach to the audit where a member of the Agency may observe the audit.

Ethical Behavior

Auditors should conduct themselves in accordance with the good reputation of auditors and refrain from conduct that might discredit the credibility of the auditors' role in the National Logistics Safety Code (NLSC).

Discipline

For the Code to work in practice, the industry and public should have confidence in its integrity. The Principles laid down by the framework are to be always followed by all auditors and service providers. The integrity of the scheme will be enhanced by the Agency following up and appropriately auctioning any identified deviations from these principles.

A disciplinary process has been set up by the RABQSA to deal with reported breaches as necessary. Depending on the severity of the breach, at the discretion of the disciplinary body, penalties may range from warnings to removal of the auditor from the list of approved auditors.

Choice of Auditors

Only audit service providers certified by the Agency shall perform independent audits. Such approval will only be given when the audit service provider has satisfied the eligibility requirements as discussed above in the "Industry expertise and specialist skills of auditors" and "Audit skills and experience of auditors" sections and the Expressions of Interest for service providers.

The following guidelines are provided to indicate how an auditor can be selected for a specific audit: -

- § For baseline and compliance review audits, signatories will be able to select and engage an auditor from the register of qualified auditors maintained by the Agency.
- § A different qualified auditor to the one who performed the baseline or compliance review audit should perform triggered audits and the auditors chosen from the register.

The Auditor's Code of Conduct

All certified auditors have an obligation to improve the standing of their profession by observing the RABQSA Code of Conduct. Compliance with the Code is a condition of certification and all Applicants are required to sign their agreement to comply with the Code at time of application for certification. All certified auditors are required to confirm that they have complied with the Code at each period of re-assessment and re-certification.

1. I will act professionally, accurately and in an unbiased manner.
2. I will strive to increase the competence and prestige of my profession.
3. I will assist those in my employ or under my supervision in developing their professional competencies.
4. I will not undertake any assignments that I am not competent to perform.
5. I will not represent conflicting or competing interests and will disclose to any client or employer any relationships that may influence my judgment.
6. I will not discuss or disclose any information relating to any assignment unless required by law or authorized in writing by the client and / or my employing organization.
7. I will not accept any inducement, commission, gift or any other benefit from client organizations, their employees or any interested party or knowingly allow colleagues to do so.
8. I will not intentionally communicate false or misleading information that may compromise the integrity of any assignment or the personnel certification process.
9. I will not act in a way that would prejudice the reputation of RABQSA or the personnel certification process and will cooperate fully with an enquiry in the event of any alleged breach of this code.

How an independent audit process should be developed

There may be a need to develop or amend the audit program from time to time.

This section is intended to provide a guide to the generic steps to follow when developing or amending audit processes for the National Logistics Safety Code (NLSC).

Development of the Audit Process

Experience has shown that the development of the audit process should occur alongside development of the standards / elements and criteria that make up the program, rather than as an afterthought. This is because the development of the audit can contribute significantly to the specification and wording of standards and criteria that are both indicative of best practice as well as being auditable.

Review of Standards

The first step is to obtain a thorough understanding and relevance of the standard / element and supporting criteria. This understanding should be confirmed with those persons involved in setting the standards.

In particular the sentiments of the standards, all relevant legislative and policy interpretations and how operators are expected to demonstrate compliance should be explored and clearly understood.

Standard on Internal Review

The standards / elements developed must include a requirement for a signatory to conduct an internal review of all features of their systems that are required to comply with the relevant code, at least every 12 months.

The results of such reviews must be retained as key records of the effective operation of a signatory's systems and made available to independent auditors at the commencement of subsequent Audits. Such results must document the findings of the internal reviews, the action taken to correct any deficiencies detected during the review and the follow-up action taken to confirm the effective operation of the revised system feature.

Consultation with Stakeholders

The Agency developing the audit process will need to determine the required involvement of the signatory's industry peak bodies and other stakeholders in the development and approval of the individual audit processes, steps, and compliance indicators used to determine audit findings.

The success of the audit arrangements relies on its support by all stakeholder groups, including road transport industry representatives, other peak bodies, law enforcement agencies, road agencies and any other interested parties.

For this reason, there should be full co-operation and consultation with relevant stakeholders in the audit framework development process.

Consultation may be oral or written and may take the form of workshops where issues can be discussed and resolved and any relevant legislative or regulatory interpretations and implications addressed. A steering group of relevant parties could be established to oversee the audit framework development process.

Definition of the Entity to be audited

In designing the audit process, consideration will need to be given to the definition of an auditable entity to be subject to an audit.

A particular issue to be determined is whether an audit should be targeted at whole companies or separately for each operating division or location. For example, a large business may be structured over separate locations / depots each with their own assurance systems and controls.

Further, a signatory may seek audits for only part of its operation, by function or location and its relevance to the Code.

Specification of Audit Steps

Once the standards / elements, criteria and suitable compliance indicators have been finalised, the next step should be to specify the audit steps that should be performed in order to ascertain achievement of each criterion within each standard. In doing this it is necessary to distinguish between:

- § Steps to be conducted during a Baseline Audit
- § Steps to be conducted during a Compliance Review Audit.

The development of an audit matrix can be a useful technique to assist the specification of appropriate audit steps.

Development of Audit Process

The exact nature of the audit work to be performed will vary according to the requirements of the standards / elements seeking to measure compliance with.

However, in order to achieve a consistent approach, the following generic audit process should be incorporated within the audit methodology developed: -

- § Operator application.
- § Pre-audit procedures and planning.
- § Auditor selection, appointment and contact with signatory.
- § Preliminary documentation review. (desk-top review)
- § Audit planning.
- § On-site audit.
- § Orientation meeting and induction.
- § Site familiarity walk-around.
- § Questioning and audit interrogation.
- § Feedback meeting.
- § Draft report, corrective action plans and clearance.
- § Final report

In developing the audit processes and constituent audit steps, consideration must be given to the variety of signatories involved. The methodology will need to be structured such that varying and appropriate processes and work steps are used to assess operators of different sizes and systems complexity.

Development of Audit Work Papers

The development of the audit process should result in the production of a documented methodology. The methodology should include standard audit work papers, for example:

- § Audit programs (i.e. audit work steps) checklists
- § Sample work papers.

These should be contained in a detailed audit manual, which provides a comprehensive guide to the principles, processes and methods to be applied in undertaking audits to assess conformity with the standards for each operational module.

Pilot the Audit Process

The practical application of the proposed audit processes should be trialed over a small sample of signatories whose systems are representative of the range of systems likely to be encountered in the wider population.

Based on the feedback received, refinements should be made to the audit methodology as and if appropriate, before it is implemented on a wider scale.

Training of Auditors

A training program should be developed and delivered to train auditors who will be involved in conducting the audits, covering:

- § Overview of standards / elements;
- § Principles, procedures and steps to be applied in the audit process relevant compliance indicators.

This step is vital for the success of the audit process to ensure that those involved in conducting audits are equipped with a high level of knowledge and understanding of both the audit processes and the fundamental sentiments embodied in the standards / elements and criteria with which they are auditing compliance.

Principals relating to the conduct of the code

The dispute resolution procedure set out in the contract between the parties shall be the sole process for resolving disputes related to audit outcomes.

If a dispute or difference arises out of, or in connection with the code or its subject matter:

- (a) the parties agree to use all reasonable endeavours to resolve the dispute speedily by good faith negotiation (First Stage Discussions);
- (b) if the dispute has not been resolved within 20 business days after commencement of First Stage Discussions, the auditee and the Chief Executive of the other party must promptly hold good faith discussions to attempt to resolve the dispute (Second Level Discussions); and
- (c) Each party must continue to perform its obligations under the spirit of the code despite the existence of a dispute or the operation of this dispute resolution process.

Should the Agency be required to determine a sanction to apply to a substantiated non-compliance with the Code, consideration should be given to the severity of the case and any mitigating circumstances.

Sanctions that can be imposed on a signatory include: -

- § counseling;
- § a written warning notice;
- § an improvement notice;
- § issuing a notice to take corrective action within a specified period;
- § issuing a show cause why participation in the code should not be suspended;
- § issuing a show cause why participation in the code should not be cancelled; and
- § Immediate suspension or cancellation of participation in the code.

All notices must be responded to within 28 days of the date of posting. At the end of the 28 days notification period, the Agency must consider all information provided and make a decision. The signatory member is advised in writing of the agency's decision and, if necessary, of the appropriate mechanism for review of the decision.

A record will be kept by the Agency of any imposed sanction and the reasons for making that determination.

If an applicant is refused entry to the code of conduct, they may appeal for an internal review of the decision within 28 days of the posting of the notification. There is no external appeal on entry decisions.

If a signatory wishes to contest a decision not to renew their participation in the code, they must lodge an appeal for internal review within 28 days of the posting of the notification. If the original decision is upheld, the signatory may lodge an external appeal within 28 days of the posting of the notification of the outcome of the internal review. Unless either the internal or external review upholds the appeal, the participation would cease as from the renewal date.

If a signatory wishes to contest a decision to vary, suspend or cancel participation in the code prior to the end of the participation period, they must lodge an appeal for internal review within 28 days of the posting of the notification. If the original decision is upheld the signatory may lodge an external appeal within 28 days of the posting of the notification of the outcome of the internal review.

Sanctions are to be held in abeyance during the internal review but if the original decision is upheld, they are to be imposed and remain in force unless overturned by the external review process.

In addition a signatory may leave the code or voluntarily give up membership at any time.

Signatories who voluntarily leave the code must advise the Agency in writing that they wish to do so and must within 7 days of termination remove all references to the Code of conduct from signage, vehicles, company livery, building signs and destroy stationary, letterhead, advertisements, and business cards bearing reference to the code of conduct and provide a

statutory declaration to the Agency confirming that it has complied with all requirements of this clause.

Use of the National Logistics Safety Code (NLSC) of Conduct logo

Signatories may only use the National Logistics Safety Code (NLSC) name and logo on company livery, stationary, invoices or business cards.

The signatory must not use the National Logistics Safety Code (NLSC) name or logo in a manner that makes it appear that the Signatory is the originator of the National Logistics Safety Code (NLSC) or that the National Logistics Safety Code (NLSC) name and logo belong to the Signatory.

National Logistics Safety Code (NLSC) name and logo may only be represented as set out below

The Code of Conduct name and logo must:

- (a) only be used together;
- (b) not be incorporated as part of the Signatories name or logo;
- (c) be shown accurately, in proper proportion and orientation; and
- (d) Not be incorporated into any other trademark, logo or symbol.

The Signatory must not:

- (a) use any trade mark or logo which is deceptively similar to the National Logistics Safety Code (NLSC) logo; and
 - (b) Amend or obliterate the mark in any way.
- § The National Logistics Safety Code (NLSC) Logo may only be reproduced in the format depicted below.



The Australian Logistics Council must be provided with a draft of proposal to use the logo prior to its use. The National Logistics Safety Code (NLSC) logo cannot be used by any party without the prior written consent of the Australian Logistics Council.

Media releases and enquiries

Signatories to the code must seek written approval from the Agency to: -

- (a) any press release or advertisement arising out of or in connection with the code; or
- (b) The signatory must refer any media enquiries concerning the code to the Australian Logistics Council.

Administration Functions

Processing Applications

- 1- Review application to ensure that all information is provided.
- 2- Ensure all required documentation is provided.
- 3- Make recommendation
- 4- Accept Entry
- 5- Create file for scheme member
- 6- Advise applicant in writing
- 7- Collect application fee
- 8- Advise other Signatories

Renewal

- 1- Assess scheduled compliance audits undertaken
- 2- Assess compliance history with terms and conditions of the Code
- 3- Assess compliance history with the relevant road transport legislation
- 4- Make recommendation
 - a- Accept Renewal
 - Advise signatory in writing
 - Record on signatory's file
 - Advise other Signatories
 - b- Deny Renewal
 - Advise signatory in writing
 - Record on signatory's file
 - Advise other Signatories

Record Details

- 1- Record all signatory's details e.g. name, address, contact numbers, etc.
- 2- Advise other Signatories

Change of Details

- 1- Note any change of details
- 2- Record on database (if necessary)
- 3- File documents
- 4- Advise other Signatories

Monitor Complaints

- 1- Review complaint
- 2- Investigate complaint (where necessary)
- 3- Resolve complaint
- 4- Implement complaint resolution
- 5- Advise Signatory (where necessary)
- 6- Record complaint and action taken
- 7- Respond to complainant in writing (where necessary)

Show Cause

- 1- Advise Signatory in writing
- 2- Consider all information provided
- 3- Recommend a position
- 4- Implement recommendation
- 5- Record details on Signatory's file

Suspension of membership

- 1- Advise Signatory
- 2- Record information
- 3- Advise other Signatories

Cancellation of membership

- 1- Advise Signatory
- 2- Record information
- 3- Advise other Signatories
- 4- Close file

Record Operator Changes

- 1- Record voluntary exit
- 2- Record information
- 3- Advise other Signatories
- 4- Close file

Conduct Internal Review

- 1- Record review request
- 2- Schedule review
- 3- Advise Signatory
- 4- Conduct review
- 5- Review denial of renewal to code
- 6- Review internal disciplinary decision
- 7- Implement review result
- 8- Advise Signatory
- 9- Record result on Signatory's file

Estimated Resources Required:

- § clerical staff
- § file storage
- § database (optional)

COSTS:

- § Staff salaries / wages
- § Setting up database
- § Maintaining database
- § Creating and maintaining Signatory's files
- § Mailing advice
- § Printing forms
- § Staff training for processing applications
- § Exchange of information

Definitions & common terminology

Many words or phrases used in this Audit Framework have a specific meaning when used in the context of the audits, as compared with their everyday use.

The development of the Audit Framework for the National Logistics Safety Code (NLSC) has drawn from the experience gained and approaches followed in other auditing models, in particular that applied in the audit of quality management systems.

Where appropriate and where consistent with their use and meaning in the audits, the terminology defined in this section has also been based on the definitions of common words and phrases applied in the quality arena. In particular AS / NZ ISO 8402: 1994 "Quality management and quality assurance -Vocabulary" has been used as a key reference.

ALC

Australian Logistics Council Inc.

Code

The National Logistics Safety Code (NLSC).

Approving agency

A body, which administers the conduct and outcomes of independent audits in accordance with the audit principles (contained in this Audit Framework) and approves auditors to certify that they are qualified to perform independent audits.

The responsibilities of the approving agency are to: -

- § assess and certify auditors as being eligible to carry out audits under the Audit Framework and in accordance with its principles;
- § maintain, update and publish a register of certified auditors;
- § Review the performance of auditors, and where appropriate the continued certification of auditors.

Audit

A systematic and independent planned and documented activity performed by external auditors to verify for internal or external purposes by investigation, and the examination and evaluation of objective evidence, that applicable elements of a system have been developed, documented and effectively implemented in accordance with the relevant standards / elements applicable to a particular program.

Baseline audit

An initial audit conducted after becoming a signatory to the Code.

Compliance review audit

A regular audit against the Code of Conduct performed independently using the audit matrix, which assesses the effectiveness of the signatory's own systems including specific policies and procedures and measuring the level of compliance actually achieved over a given period.

Partnership Audit Review

Joint review of audit reports by commercial partners in the supply chain. This review is an integral part of the code process and as such no audit is complete until such time as this joint review process has been completed to the mutual satisfaction of both parties.

Compliance indicators

Compliance indicators are a set of management system features, controls, outcomes or appropriate measurement criteria which illustrate the individual elements of a signatory's management system that should be in place to demonstrate compliance with the individual standards / elements and criteria. Compliance indicators specify how a signatory may be expected to demonstrate compliance without prescribing how an operator should design the system or procedures.

Triggered audit

A special purpose audit of a signatory called for by another signatory that has a contractual relationship with the organization with concerns about compliance to a specific aspect of the Code.

Auditee

Signatory being audited.

Auditor

A person registered with RABQSA and certified to perform audits. An auditor is certified to perform audits when his or her capability of fulfilling the requirements of an auditor specified by the approving Agency has been demonstrated.

Audit observation or finding

A statement of fact made during an audit and substantiated by objective evidence.

Audit matrix

An audit matrix is a document that should be produced during development of the audit process and sets out each criterion within each standard / element: -

- § the corresponding compliance indicator(s);
- § The audit steps that should be performed in order to ascertain achievement of each compliance indicator.

The purpose of the audit matrix is to communicate to, and agree amongst, stakeholders: -

- § the audit steps that will be undertaken to satisfy the requirements for monitoring compliance with the standards of the relevant module;
- § The evidence or indicators of compliance that the auditor will expect to see during the audit steps which demonstrate compliance of an operator's Management System with the individual standards and criteria of a module.

Audit principles

The audit principles, which are contained in the Audit Framework, provide a common set of features that should be incorporated within the audit processes developed in order to achieve consistency in the approach, conduct, and degree of audit.

Audit process

A collection of inter-related audit activities (or audit steps) and resources that together specify the exact nature of the audit work to be performed. The audit process is to determine whether a signatory's management system activities and results comply with the requirements of the standards / elements, and whether the signatory's management system operates effectively and consistently.

Audit program

A document that details the collection of audit steps to be performed within specific stages of the audit process, and records the completion and findings of each audit step.

Audit report

The report, compiled by the independent audit team, which communicates the findings of the independent audit and concludes whether a signatory's management system complies with the standards / elements.

Audit step

An individual audit activity performed to gather evidence of the characteristics, documentation or process implementation of a feature of a signatory's management system in order to ascertain whether it complies with the specified requirements of the standards / element. An audit step may take the form of inquiry of key individuals, observation of a process or activity or the examination of records and documentation.

Audit working papers

Audit documentation, which must be used and completed on all audits as documentary evidence of work performed and justification of the findings and conclusions reached. Audit working papers are specified in a comprehensive documented audit methodology to be developed for each program.

Conformance

The operator's management system fulfils the requirements of the standard / element and criteria.

Corrective action

Action taken to eliminate the causes of an existing nonconformity, defect, or other undesirable situation in order to prevent recurrence. Note: The corrective action may involve changes, such as to procedures and systems, to achieve improvement. There is a distinction between 'correction' and 'corrective action'.

Correction refers to adjustment or amendment (e.g. of a document) to deal with an existing nonconformity.

Corrective action relates to the elimination of the causes of nonconformity.

Independent audit

A systematic and independent planned and documented activity performed by external auditors to verify for external purposes by investigation, and the examination and evaluation of objective evidence, that applicable elements of a system have been developed, documented and effectively implemented to satisfy the relevant standard / element.

Internal audit / review

The planned and documented independent examination of elements of a signatory's management system, carried out by a person from within the operator's organisation, to verify whether activities comply with defined procedures and to assess the effectiveness of the management system.

Management review

Formal evaluation by the management of the signatory of the status and adequacy of the signatory's management system in relation to the code of conduct and regulatory standards.

Management System

The organisational structure, responsibilities, procedures, activities, capabilities, resources and records established by a signatory with the aim of ensuring compliance with a set of standards.

Non-conformance

A deficiency in the characteristics, documentation or process implementation, which renders a feature of a signatory's management system as not fulfilling a specified requirement of the standard / module.

It covers the departure or absence of management system elements from the requirements specified in the standards. It also covers deficiencies in the performance of the management system to consistently comply with the requirements specified in the standards / elements.

Objective evidence

Information, which can be proved true, based on facts obtained through observation, inquiry, measurement, test or other means.

Signatory

A participant in the code that has the status of participating signatories and assumes obligation under the code

Procedure

The specified way to perform an activity, unless the relevant standard / element require it, procedures may or may not be documented.

When a procedure is to be documented the term 'written procedure' or 'documented procedure' is frequently used. A written or documented procedure usually contains the purposes and scope of an activity; what shall be done and by whom; when, where and how it shall be done; what materials, equipment and documents shall be used; and how it shall be controlled and recorded.

It is expected that it is compulsory for appropriate persons to follow a procedure in a signatory's management system unless a concession is approved in advance. If a procedure does not provide the required details, such as who is responsible for a specified activity and how it should be carried out, there should be a 'lower level' work instruction that does.

Record

Document, which furnishes objective evidence of activities or results, achieved. A management system record provides evidence of the extent of fulfillment of the requirements of regulatory standards or the effectiveness of the operation of an operator's management system element.

Standards

A set of standards established as part of the agreement between a signatory and an agency, and subject to objective verification by independent auditors, which defines the features of a management system that are required to demonstrate that their business processes comply with relevant road transport law and regulations.

Recommendations or suggestions for improvement

Suggestions for improvement are provided to a signatory when the signatory's management system conforms to the standards and criteria, but some aspect of the system could be improved by performing them in a more effective or efficient way.

Regulatory standards

The requirements relating to the operation of heavy vehicles specified in road transport law and regulations.

Work instruction

A detailed direction as to how to carry out a procedure, normally in the form of step-by-step instructions. It is expected that it is compulsory for staff to follow work instructions unless a concession is approved in advance. Unless the relevant standards / elements require otherwise, work instructions may take any form. For example, they may be in the form of a checklist, a set of manuals; a sticker attached to the inside of a vehicle door etc. Again unless specifically required by individual management standards, work instructions may not be required if staff have the knowledge, training or experience to perform an activity without them.

Rating scale and guidance for Baseline / Compliance Review Audit matrix

Conformance: -

- 1- Formal process, tasks have been fully documented and are clearly described so another reasonably competent person could follow the steps to do the work.
- 2- The responsibilities for the tasks are adequately allocated and written down.
- 3- All relevant staff has been told what their responsibilities are and knows how to access the documented record of what their responsibilities are.
- 4- Procedures manuals include methods for ensuring that the standards are met and correct procedures / practices are followed.
- 5- Consistent and effective application and regular review. While further improvements may still be possible, the minimum requirements are being met.

Non-conformance: -

- 1- There is no evidence of an informal or formal process.
- 2- This may be caused by the absence or inadequate implementation of a system or part of a system.
- 3- Documented systems or procedures not being followed or a minor or isolated lapse in a system or procedure.

Other Definitions

Observation: -

An identified weakness in the system that if not addressed may result in a non-conformance at the follow up audit.

Not able to be verified: -

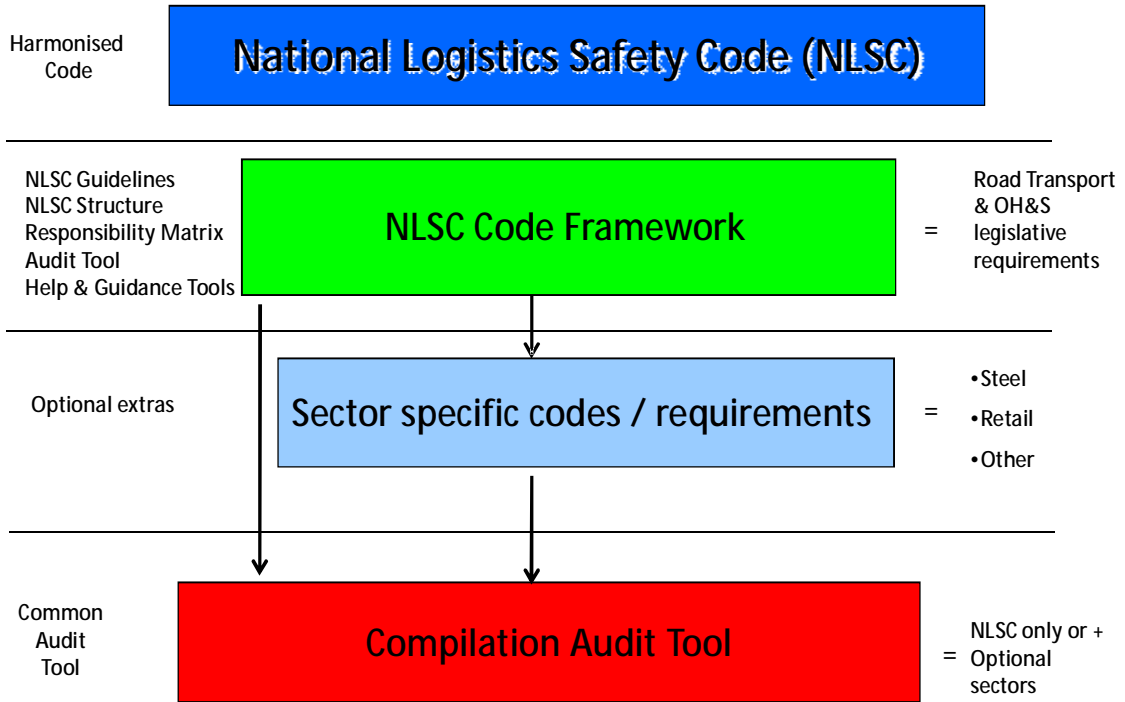
A situation where there is evidence of a suitable system in place but because of the infrequent need to use the system there are no recent records or other form of verification available. In a Code audit a criteria classified as not able to be verified is considered to be a conformance.

Not Applicable: -

A judgement made by an auditor that because of the nature of the operation of the organisation, the requirements of a particular audit criteria do not need to be met.

If the auditor deems a question not applicable to your operation, shade the cell.	NA		Make comment where relevant
If you are deemed compliant no further action is required.		Score (1)	Objective evidence required
If you are deemed non-compliant Corrective Action is required.		Score (0)	You require a C.A.P

Appendix A – National Logistics Safety Code Model








Audit Tool Elements





1. Legal Compliance and CoR
2. OH&S Risk Assessment & Compliance
3. Fatigue Management
 - Scheduling
 - Time Slot Flexibility
 - Waiting Time
 - Queuing
 - Loading or Unloading
4. Communication
5. Safe Load
 - Preparation
 - Restraint
 - Containment
 - Mass
 - Container Weight Declarations
 - Dangerous Goods
6. Speed Management
7. Equipment
8. Driver Health / Drug & Alcohol free workplace
9. Subcontractor Assessment
10. Operational Infrastructure

Appendix C – Audit Framework table explanation

The audit framework is set out as in the tables and examples below.

	<p>The intent or rationale of the standard or element information provides an explanation of the criterion. This additional information may assist in interpretation of the criterion and provide some rationale for its inclusion.</p>
<ul style="list-style-type: none"> • s 	<p>The criterion in this field is the <u>only auditable component</u>. The other information and examples (at points 3, 4 & 5) are to provide information and assistance in understanding the criterion but are not auditable in their own right.</p>
	<p>Point of reference in the Code of Conduct signatory document.</p>
<ul style="list-style-type: none"> •  	<p>Reference to the legal aspect for the criterion;</p> <p>Level 1 Criterion measures mandatory compliance with legislative requirements; these are the minimum requirements for compliance to be achieved.</p> <p>Level 2 Criterion measures those aspects, which do not have links to law (National Logistics Safety Code (NLSC) elevated requirements); these do not have a minimum legal requirement.</p>
<ul style="list-style-type: none"> •  	<p>The validation criteria are included to help auditors determine whether an organization is meeting the requirements of the criterion. The questions are intended as a supplement only, and do not try to cover all aspects. It is expected that there are many questions that would be asked in addition to the questions listed here.</p>
<ul style="list-style-type: none"> ' C 	<p>Examples of documents and / or records to give guidance about objective evidence and some of the paperwork that would assist in meeting the requirements of the criterion. It must be noted however, that the examples are not suggested as the only or preferred ways of meeting the criterion, nor should they be interpreted as a list, which all organizations must have. An organization may have different ways of meeting the requirements of the criterion and the examples should not detract from this.</p>
<ul style="list-style-type: none"> ' P 	<p>Walk around examples (what the auditor may be looking for) provide guidance about what might be observed and where inspections can validate procedures being carried out. This can provide confidence that the organization is managing the requirements of the criterion. In a health and safety audit, these observations may be necessary to demonstrate that the management system is providing a particular level of safety. Again, it is noted that these examples are not intended to be a comprehensive list of items that might need to be checked at a particular location.</p>
<ul style="list-style-type: none"> "  	<p>Recommendation or helpful hints provided useful advice and / or guidance on how a system may conform to the standard or go about fulfilling the criteria of the element. You do not have to follow the suggestion if you have thought of a better way of meeting the criteria. The helpful hints may offer improvement to some aspect of the system by performing them in a more effective or efficient way.</p>

Appendix D – Element 8 “EXAMPLE” : Safe Loads Preparation, Restraint / Containment

<p>i</p>	<p>All in the supply chain have an obligation to provide freight in a manner & condition that the Carrier can secure in accordance with load restraint regulations.</p> <ul style="list-style-type: none"> § The Consignor to present freight in such a way as to permit the Carrier to secure the freight in accordance with regulations. § The Consignor and Carrier to ensure that consignments meet "load restraint" regulations when securing the load. § If the vehicle has been loaded by the Consignor or another party the driver will require documentation confirming that the consignment has been loaded according to regulation. § Non-conformance reporting to Supplier and Carrier if load is considered improperly secured.
<p>5.1 s</p>	<p>What is your policy in regard to safe loads and can you demonstrate your loading procedures and techniques used for load restraint or containment? E.g. cages, pallets or other methods.</p>
	<p>2. We undertake to comply with all road transport laws applying to our operations.</p>
	<p>Reference to the legal aspect for the criterion; Level 1 Criterion measures mandatory compliance with legislative requirements; these are the minimum requirements for compliance to be achieved. NTC Load Restraint Guide 2nd edition 2004 Relevant State and Territory transport acts National Transport Commission (Road Transport Legislation — Compliance and Enforcement Bill) Regulations 2006.</p> <p>Level 2 Criterion measures those aspects, which do not have links to law (National Logistics Safety Code (NLSC) elevated requirements); these do not have a minimum legal requirement. E.g. Load restraint Guides, Time Slot & Queuing Principles and Standards and other specific National Logistics Safety Code (NLSC) specific guidance notes/tools that may be introduced as part of the continuous improvement processes of the code.</p>
	<p>Review evidence of policy, examine formalised procedures, confirm tasks are clearly described, and view records and interview personnel.</p>
<p>Examples (NB use as guidance only)</p>	
<p>C</p>	<ul style="list-style-type: none"> § The organizations procedures, work instructions and work practices reflect the requirements of load restraint guides, codes of practice, industry standards and agreements. § The organization has a legal obligation to ensure compliance with the current Australian Load restraint Guide requirements and be aware of other technical or industry standards, which influence the way loading work is planned and performed.
<p>P</p>	<ul style="list-style-type: none"> § Can the relevant managers explain or demonstrate how the organization ensures load restraint procedures meet the relevant requirements. § Current information maintained at an accessible location. § Distribution lists for particular information, topics or issues. § Minutes of meetings that record discussion of new requirements.
	<ul style="list-style-type: none"> § It is recommended the business review load restraint practices on a regular basis to ensure compliance to the load restraint requirements. § All load restraint information contains references to the applicable legislation or regulation. § Sites should produce meeting minutes such as team meetings, staff meetings, toolbox talks, etc where all employees have been advised that the requirements is either available by use of hard copy or information can be

	obtained electronically or how it can be obtained by requesting it from there Manager / Supervisor.
--	--

Appendix E – National Logistics Safety Code (NLSC) Audit Framework Feedback/Request
for change form

Note: Copies of this form are available directly from www.austlogistics.com.au .

Time Slot & Queuing Principles and Standards



The National Logistics Safety Code (NLSC) has developed principles and standards for time slotting and queuing at dispatch and receipt locations. This aim is to assist all parties in the supply chain to operate in a safe environment, acknowledging the requirement for robust business practices which effectively manage fatigue along the supply chain.

Supply chain focus

Principle - All parties in the supply chain depend on each other and therefore should understand current and future needs and requirements. They should strive to meet these needs in line with Chain of Responsibility (CoR) and safety requirements.

Standards - *Minimum Standard requirements:*

- Carrier assessment – Consignors must be satisfied that the contract includes appropriate processes designed to ensure that conforming to the transport task including meeting the designated timeslot can be completed safely and in compliance with the relevant road laws.
- Increased the awareness and focus amongst the supply chain partners for the need for on-time delivery and its links to Truck Turnaround Times (TTT) and safe journey plans.
- Educate carriers and drivers on the importance of timeslot performance, paperwork processes, Delivery/Dispatch facility processes etc.
- Educate suppliers on the critical role played by correct loads in meeting these objectives.
- Commitment to increased management of scheduling ensuring all components in the supply chain including order pick / dispatch, equipment type, drivers' capability and scheduling are all aligned with Chain of Responsibility (CoR) and safety requirements.
- Commit to eliminating non-productive time within the supply chain for all parties.

Accountabilities

- Consignor to ensure that carrier Driver Fatigue Management Plans (DFMP's) are compliant with speed and fatigue management requirements.
- Consignors and consignees are to ensure that drivers are not unduly delayed at their sites, which could contribute to fatigue.
- Consignors, Consignees and carriers are to ensure that drivers receive adequate training on processes and procedures that are required to be followed to meet the code and legislative requirements the supply chain.
- Consignors, Consignees and carriers will work together to reduce non productive time within the supply chain
- Consignor must include appropriate CoR and safety legislation references / standards within all relevant contracts
- Consignor must provide accurate documentation & instructions in line with the required processes.
- Consignor must maintain appropriate monitoring mechanisms to ensure compliance with timeslot performance, Truck Turnaround Time, Speed management, etc.
- Carriers must review timeslots and inform the delivery/dispatch facility's when meeting timeslots would not be safe, and must not act outside the legal requirements.
- Carriers and drivers to efficiently communicate changes to arrival / journey times and act appropriately in delayed situations.
- The consignor must satisfy itself that delivery timetables are reasonable having regard to the fatigue management of any driver transporting freight.
- The carrier will put in place a driver fatigue management plan/strategy for the relevant task.
- The Consignee should where appropriate consult with the consignor and transport/logistics provider in relation to delivery schedules.
- The Prime Contractor should have in place systems designed to ensure any subcontractor complies with all applicable laws, regulations & site requirements including site inductions.
- Dispatch administrators not require drivers, whether by direct request or indirectly, to undermine safe and agreed trip plans or to meet unrealistic schedules or to cause the driver to want to speed.
- Route plans and schedules should be agreed prior to departure.
- Carriers have in place suitable systems so that vehicles are speed limited in accordance with regulations,
- Realistic schedules set within lawful limits and always in consultation with the driver.

Time Slot & Queuing Principles and Standards



The National Logistics Safety Code (NLSC) has developed principles and standards for time slotting and queuing at dispatch and receipt locations. This aim is to assist all parties in the supply chain to operate in a safe environment, acknowledging the requirement for robust business practices which effectively manage fatigue along the supply chain.

Realistic Scheduling

Principle - Establish procedures and practices for the effective management of driver fatigue.

Standards - *Minimum Standard requirements:*

- All drivers must have a safe driving plan.
- Consignors, Carriers (in conjunction with employees) and Consignee's are to periodically review safe driving plans.
- Driver must have sufficient hours to safely complete the task.
- Safe driving plan is to include the time taken to complete all tasks that a driver is required to perform.
- Introduce a management process that allows consignors, consignees and carriers to continually review loading and delivery time slots.
- Anticipate and plan ahead for peak seasons e.g. Christmas or special events, and negotiate revised arrangements as necessary with consignor/consignee.
- In conjunction with the consignor/consignee consolidate loads to reduce the number of vehicle journeys to Delivery/Dispatch Facility's.
- Consignor to develop and issue SOP/booklet/information sheet for arrival procedures at customer Delivery/Dispatch facilities.

Accountabilities

- The development of a safe driving plan by the responsible party
- Review by the consignors, consignees and carriers of management processes including;
 - Safe driving plans
 - Loading and delivery time slots
 - Seasonal planning
 - Load consolidation
 - Productivity
 - Specific instructions
- Issuing of non conformance notices by consignors, consignees and carriers to establish corrective actions

Time Slot & Queuing Principles and Standards



The National Logistics Safety Code (NLSC) has developed principles and standards for time slotting and queuing at dispatch and receipt locations. This aim is to assist all parties in the supply chain to operate in a safe environment, acknowledging the requirement for robust business practices which effectively manage fatigue along the supply chain.

Technology / Equipment

Principle - The use of technology and the application of appropriate technology to assist all parties in the supply chain with the management of time slots including scheduling, duration on site and driver fatigue.

Standards - *Minimum Standard requirements:*

- Ensure the equipment used by Consignors, Carriers and Consignees to move product from point to point is appropriate in respect to;
 - Vehicle type
 - Manual handling equipment
 - Load restraint equipment
 - Automated loading equipment
- All equipment must be;
 - Properly maintained and
 - Deliver reliable on road and on dock performance e.g. ease of curtain or door opening.
- Use technology to coordinate product movement. Such technologies may include;
 - Transport management systems.
 - Commercial transportation, optimization and execution systems.
 - Shipment tracking and event management systems.

Accountabilities

- All parties must obtain the authoritative technical advice when selecting suitable equipment that effect the tasks
- All parties must conduct regular equipment testing
- Ensure all team members are competent in manual handling and technology required in their role
- As a minimum standard to the requirements, all signatories to the code must adopt the technical guides endorsed by the code management committee
- Consignors, Carriers and Consignees are required to collect and measure data in relation to time slotting and share data with business partners
- Consignors and Consignees should inform the carrier of any compatibility issues i.e. cannot fit "B" Doubles.

Time Slot & Queuing Principles and Standards



The National Logistics Safety Code (NLSC) has developed principles and standards for time slotting and queuing at dispatch and receipt locations. This aim is to assist all parties in the supply chain to operate in a safe environment, acknowledging the requirement for robust business practices which effectively manage fatigue along the supply chain.

Order Shipment and Accuracy

Principle - Establish a process to ensure accuracy of the load by the Consignor in order to eliminate driver fatigue resulting from unplanned delays.

Standards - *Minimum Standard requirements:*

- Establish a process for rejected deliveries to meet Chain of Responsibility (CoR) and safety compliance whilst not impacting on driver fatigue.
- Loads are to be secure and restrained to meet relevant load restraint regulations. Freight should be presented in a way that it ensures safety and ease of access.
- Paperwork systems must ensure order integrity and have a sufficient level of order checks prior to shipment, such as;
 - Match the load with the order
 - Temperature
 - Quantity
 - Quality
 - Minimum, use by requirements
 - Delivery quality
 - § Shrink wrap
 - § Fit of load on pallet (vital for automated delivery/dispatch facilities)
 - § Bag liners
 - § Labelling (number and position of)
 - § Accuracy of barcodes
 - § Consignor/consignee specific vendor requirements
- Use of electronic trading – Advanced Shipping Notification / Express Receiving / Scan Pack.
- Work proactively and collaboratively with trading partners to optimize orders on a per shipment basis.
 - Vendor Replenishment Personnel (VRP"s) should play a proactive role in order optimization.
 - Demand Chain Planners are another source to assist in the optimization of orders

Accountabilities

- The consignor is responsible and accountable for ensuring that the load meets the order requirements prior to dispatch.
- The Consignee, Consignor and Carrier must have processes to manage rejected deliveries whilst not impacting on Chain of Responsibility (CoR), safety compliance and driver fatigue.
- The Consignee, Consignor and Carrier are responsible for inserting control points throughout the delivery chain to identify errors and establish corrective action.

Time Slot & Queuing Principles and Standards



The National Logistics Safety Code (NLSC) has developed principles and standards for time slotting and queuing at dispatch and receipt locations. This aim is to assist all parties in the supply chain to operate in a safe environment, acknowledging the requirement for robust business practices which effectively manage fatigue along the supply chain.

Metrics

Principle - Effective decisions are based on the analysis of data and information. Key metrics are established and agreed between Vendors, Carriers, Consignors and Consignees to provide clear and consistent measurement tools.

Standards - *Minimum Standard requirements:*

- Improve visibility and transparency of information along the delivery chain. Key metrics should be shared between the parties to allow them to see how well they are meeting expectations and to identify areas where additional improvements can be made with regard to Chain of Responsibility (CoR) and safety.
- Share forward forecasting and scheduling with carriers.
- Consider using 360° scorecards with delivery chain participants.

Accountabilities

- Consignors and Consignees will establish truck turnaround KPIs for their sites and communicate them to the carriers and their drivers to assist in fatigue management planning.
- Consignors, Consignees and carriers will collate key metrics and communicate them to the other parties in the supply chain to improve safety and productivity.
- Adhere to agreed measurements and advise other parties of any discrepancies.
- Ensure forecasting and scheduling information communicated is accurate and up to date.

Time Slot & Queuing Principles and Standards



The National Logistics Safety Code (NLSC) has developed principles and standards for time slotting and queuing at dispatch and receipt locations. This aim is to assist all parties in the supply chain to operate in a safe environment, acknowledging the requirement for robust business practices which effectively manage fatigue along the supply chain.

Continual Improvement

Principle - Continual improvement of the overall safety performance should be a permanent objective for all parties in the supply chain. This should be underpinned by a regular review of key metrics, root cause analysis and corrective actions.

Standards - *Minimum Standard requirements:*

- Every delivery exception needs to be reviewed to determine why the delivery has not met defined standards.
- All non-conformances are to be analysed to develop appropriate corrective actions.
- All relevant data is analysed to seek out all safety and business improvement.
- To identify the root cause of non-conformance. That is/causes/that may lead the driver to failure and inability to meet Chain of responsibility (CoR) standards
- Proactively work together to avoid, where possible, periods of peak activity and congestion at Dispatch/Delivery facilities for example optimize opportunities with retailers to deliver outside your standard delivery times.

Accountabilities

- Consignors, Consignees and carriers will work together to reduce non productive time, waste and inefficiencies within the supply chain.
- All parties are committed to investigating accidents and incidents to implement corrective actions to eliminate future occurrences.
- Corrective Action Reports to be raised for all non-conformances
- Review delivery exception data to assess non-conformance trends
- Non-conformance data assessed (root cause analysis) to identify business improvement opportunities
- To enforce corrective actions all parties must develop preventative processes.
- Ensure data is recorded correctly and is consistent among all of the supply chain partners

Time Slot & Queuing Principles and Standards



The National Logistics Safety Code (NLSC) has developed principles and standards for time slotting and queuing at dispatch and receipt locations. This aim is to assist all parties in the supply chain to operate in a safe environment, acknowledging the requirement for robust business practices which effectively manage fatigue along the supply chain.

Communication

Principle - Supply chain partners recognize that effective prompt communication is essential for the safe transport of goods throughout the supply chain.

Standards - *Minimum Standard requirements:*

- Communication at multiple levels
 - Daily communications
 - Trip communications
 - Review communications
- Develop a procedure for both onsite and in transit 2-way communication with drivers when there are delays.
- Develop a procedure for both onsite and in transit 2-way communication with business partners to manage exceptions and advise issues.
- Develop communication plans at multiple levels with supply chain partners.
- Integrate carriers into the process
- All parties are accountable for their actions or inactions along the supply chain

Metrics

- Ensuring the time slots for loading/unloading can be relied upon e.g. trucks do not queue longer than 30 minutes otherwise driver must be notified

Accountabilities

- Load profile must be produced and communicated to all parties along the supply chain and used to determine time on site and expected time spent working to facilitate the development of safe driving plans
- The business rules for consolidated loads must be pre arranged with the consignee
- Adequate lead time must be allowed to ensure safe deliveries for all loads e.g. vendor loads
- Loading manager is responsible to communicate instances when advised queuing times may be exceeded
- All parties in the supply chain have a responsibility to advise of the issues that arise that may effect either the load profile, transit times or time slot. Details of the change are to be communicated by the party modifying the plan
- Non conformances need to be communicated to establish corrective actions e.g. this may require communication with other parties in the supply chain.

Sector Guides

