



ENFORM HEALTH AND SAFETY PROGRAM CERTIFICATIONS POLICY & PROCEDURE:

3.16 Group Audit of Related Employers

Background

There are cases where individually incorporated companies, each with their own WCB accounts, function as a singular entity in terms of ownership and control. Where these employers also share a single health and safety management system, they may be eligible to participate in a single, shared audit. It is important to note that while there may be efficiencies gained in a shared group audit, there is also a risk. A serious incident with any one of the employers could impact the COR status of all the related employers that were included in the original audit scope.

If a group of related employers meet the criteria laid out in this policy, they may choose to be treated as the equivalent of a single employer with respect to their audit and audit requirements. For example, interview and work site sampling requirements would be based on the total combined operation.

The initial audit for a group of related employers must always be a certification audit. Each individual employer in the group receives their own COR. In subsequent maintenance years, group members can pursue group or individual maintenance audits or options to maintain their individual COR certification. However, group members can never be added without a fresh external audit for certification.

Policy

- 3.16.1 In order to be eligible for a group audit of related employers, all related employers in the group must demonstrate they are:
- 3.16.1.1 Incorporated legal entities.
 - 3.16.1.2 Related through a common ownership, either on the basis of a common shareholder or through a subsidiary company structure.
 - For publicly traded companies, the application would have to demonstrate at least one shareholder who has a significant ownership position in all of the group member companies.
 - 3.16.1.3 Controlled together, through shared directors, senior management, or centralized reporting relationships.
 - 3.16.1.4 Sharing a common health and safety management system that is actively used for all operations.

- 3.16.2 Related employers must apply to Enform for approval for a group audit as part of their audit registration online.
- 3.16.2.1 Audit registration will only proceed once the group audit approval is granted.
- 3.16.3 Enform shall inform all related employers of its decision to approve or deny the application for a group audit in writing.
- 3.16.3.1 Both the related employers' application and Enform's formal response shall be kept on file for a minimum of three years for future reference.
- 3.16.4 The auditor must conduct the group audit of related employers as if they were a single combined entity. As such, the auditor:
- 3.16.4.1 Must ensure that work site and interview sampling is representative of the overall operations of the whole group.
- The total number of required work sites visited and interviews conducted must be based on the total number of work sites and employees for the group as a whole.
- 3.16.4.2 Must provide additional information on the individual employers when submitting their audit for QA review. This includes:
- The total number of employees for each employer (as well as a breakdown of the corresponding number of managers, supervisors, and workers).
 - The total number of employees interviewed for each employer (as well as a breakdown of the corresponding number of managers, supervisors, and workers).
 - A further breakdown of sampling information for any individual employer that has multiple work sites or different business operations or processes.
- 3.16.5 Where a group audit of related employers for certification is successful (i.e., 80%+ overall, 50%+ for each audit element), each of the related employers are issued a separate COR in their own legal name with a common audit date and expiry date.
- 3.16.6 Maintenance requirements for related employers that have undergone a group audit for certification are as follows:
- 3.16.6.1 All original group members may choose to conduct a single group audit for maintenance purposes or conduct a single maintenance option that applies to the group as a whole.
- 3.16.6.2 Some or all group members may conduct individual maintenance audits or maintenance options.
- In this case, all original group members must successfully fulfill their maintenance requirements either individually or as part of a group audit.

3.16.6.3 Enform shall confirm the status of the related employers during maintenance years.

- Any changes in ownership, control, or relation to the group shall be documented.
- Where applicable, these changes shall be registered with the appropriate governing body.

3.16.7 In the event that a group of related employers wishes to include additional employers in the group, they must undergo a new group audit for certification purposes.

3.16.8 In the event that an employer review must be conducted for any of related employers, Enform and/or the applicable governing body shall determine whether the review will include one, some, or all of the related employers.

Procedure

The related employers:

- Submit their application and required documentation for a group audit of related employers to Enform for approval in conjunction with their audit registration application.

Enform:

- Reviews and approves or disapproves of the application for a group audit of related employers. As part of the approval process, Enform will establish that the related employers:
 - Are incorporated legal entities
 - Are related through common ownership
 - Are controlled together
 - Share a common health and safety management system that is actively used for all operations.
- Archives both the related employer's application and Enform's formal response for a minimum of three years.

After approval for a group audit of related employers is granted, the auditor:

- Registers the group audit of related employers.
- Conducts the group audit as if the related employers were a single combined entity. This includes adhering to all required sampling requirements.
 - Work site and interview sampling is based on the total number of work sites and employees for all operations combined.
 - The sampling must be representative of the operations of the whole group.

- Provides additional information unique to group audits of related employers, including:
 - The total number of employees for each employer with a corresponding breakdown by manager, supervisor, and worker.
 - The total number of employees interviewed for each employers (as well as corresponding breakdown by manager, supervisor, and worker).
 - A further breakdown of sampling information for any one of the employers that has multiple work sites or different business operations or processes.

If a group audit of related employers for certification purposes is successful, Enform will either:

- Register both the related employers as a group and the individual employers with the relevant governing bodies to allow each to receive their own COR certificate in their own legal name (with a shared audit and expiry date).
- Provide individual COR certificates to each of the individual employers in their own legal name in those cases where Enform issues certificates apart from governing bodies.

If the related employers are fulfilling maintenance requirements through (an) audit(s) or (an) option(s), the related employers:

- May opt for any one of the following three possibilities:
 - Conduct a group maintenance audit or engage in maintenance options as a singular group.
 - Conduct individual maintenance audits or options for each legal entity.
 - A combination of the above where some related employers fulfill maintenance requirements as a group and some opt for individual maintenance audits or options.
- Provide Enform with any information and requisite documentation regarding any changes in ownership, control, or relation to the group.

If the related employers are fulfilling maintenance requirements through (an) audit(s) or (an) option(s), Enform will:

- Ensure all original related employers have fulfilled their maintenance requirements via a group or individual maintenance audit(s) or approved maintenance option(s).
- Forward any changes in any individual group member's ownership, control, or relation to the group to governing bodies as required.
- In the event an OSAR or verification audit is required for an employer certified as part of a group audit of related employers, the actual scope of this review will be negotiated with the appropriate governing bodies as required.

Approval



Juliet Goodwin, CRSP
 Manager, Safety Audits and Certifications