

COMPLIANCE AUDITS

Revision History

Rev. #	Description of Change	Date	Revised By
0	Initial Issue	July 2016	PSM RMP Solutions

Purpose

This document describes the compliance audit procedure as it applies to the PSM/CalARP Program associated with the storage of hazardous chemicals in use at Inland Star Distribution Centers, Inc. The purpose of the compliance audit is to identify any elements of the program that do not meet the requirements of the PSM, and CalARP regulations, and to provide a means of responding to deficiencies found by the auditors.

Responsibilities

The Director of EHS³ is responsible for the following activities:

- Ensures that a compliance audit is conducted at least once every three years.
- Ensures that the compliance audit procedures are followed.
- Ensures that the recommendations identified during the compliance audit are resolved in a timely manner, and resolutions are documented.
- Retains the two most recent audit reports.

Audit Requirements & Procedures

The objective of the compliance audit is to verify that the procedures and practices developed under the PSM/CalARP Program are adequate and are being followed. The following requirements and procedures are followed to meet this objective:

Frequency

Compliance audits of the PSM/CalARP Program are performed at least once every three years. Scheduling of the audit is coordinated by the Director of EHS³.

Audit Team Selection

The audit team should include at least one person knowledgeable in the storage of hazardous chemicals. The audit team should:

- Be chosen for their experience, knowledge, and training and should be familiar with the processes and auditing techniques, practices, and procedures.
- Be impartial to the PSM/CalARP Program and able to effectively assess the merits and effectiveness of the compliance program that they are reviewing.
- Include other personnel, such as corporate safety auditors or outside consultants, at the discretion of the Director of EHS³.

Conducting the Audit

The compliance audit covers each element of the PSM, and CalARP regulations and consists of the following activities:

- 1) **Program & Records Review:** The purpose of the review is to examine the documentation for the program to determine if all of the elements are fully developed and to ensure that they are being successfully implemented. As part of this process, the auditor can gain a clear understanding of the accessibility and organization of the materials. Where records are too numerous to fully evaluate, a representative sample will be reviewed.
- 2) **Personnel Interviews:** Interviews with plant personnel and contractors are conducted to confirm that safety policies, practices, and procedures are being implemented successfully.
- 3) **Inspection of On-Site Conditions:** On-site inspections are conducted during the audit to observe equipment conditions and to observe actual practices such as safety and health policies and work authorization procedures.

A closing meeting may be held to brief plant personnel on the preliminary findings and, if any, preliminary recommendations the audit team has formulated.

Written Report

A report of the findings of the audit will be developed after the compliance audit is completed. The audit report will include the scope of the audit, methods used, a list of audit participants, and the findings of the audit. The findings should be supported by completed audit checklists. The report should also include recommendations resulting from the audit.

The report is required to be certified to signify that the audit has been completed.

The two most recent audit reports will be maintained onsite and will be made available for review by the Los Angeles County Fire Department.

Resolution of Recommendations

Inland Star Distribution Centers, Inc. Inc. has developed a system for ensuring that audit recommendations are resolved in a timely manner. The following procedure is followed to ensure the timely completion of recommendations:

- 1) Develop a written schedule of when the recommendations are to be completed.
Note: The CalARP regulation requires Inland Star Distribution Centers, Inc. to enter into an agreement with the Los Angeles County Fire Department on a timetable for resolving the recommendations. Otherwise, the recommendations shall be completed no later than 1.5 years after the audit is performed. In addition, any recommendations requiring a system turnaround shall be resolved at the next planned turnaround.
- 2) Document the response or actions to be taken to address / complete each recommendation.
- 3) Monitor the progress of completing the actions specified in #2 above. Verify and document their completion.
- 4) Ensure the completion of the recommendations as soon as possible and no later than the timelines specified in #1 above. Actual completion dates will be documented.

A recommendation is considered to be fully resolved when it has been either adopted or it has been justifiably declined. A recommendation can be justifiably declined if it can be documented that:

- Information which was not known by audit team members becomes available at a later date and eliminates the need for the recommendation. Note that the initial audit may have to be updated to reflect the additional information;
- The recommendation is not necessary to protect the health of employees or contractors;
- An alternative measure would provide a sufficient level of protection; or,
- The recommendation is not feasible.

Reasons for declining recommendations will be documented.

Attachment A: Compliance Audit Forms

Audit Certification Form

CalARP Audit Checklists

PSM Audit Checklists

Audit Certification

FACILITY NAME AND ADDRESS: Inland Star Distribution Centers, Inc. 2132 E Dominguez St Carson, CA 90810
CONTACT:

PROCESS(ES) INCLUDED IN AUDIT: Chemical Storage
DATE OF COMPLIANCE AUDIT:
DATE OF AUDIT REPORT:

FULL-TIME AUDIT TEAM MEMBERS	PROCESS KNOWLEDGEABLE?	PART-TIME AUDIT TEAM MEMBERS	PROCESS KNOWLEDGEABLE?

This audit evaluated compliance with the provisions of the California Accidental Release Prevention (CalARP) and Process Safety Management (PSM) Program regulations to verify that the procedures and practices developed under the standard are adequate and are being followed.

Audit Leader

Date

Certifying Employer

Date