



***The Benefits and
Challenges of Integrated
Management Systems: A
Registrar's Perspective***

AAC Conference

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Presentation Outline

1. Trends, drivers and benefits of integrated management systems (MS)
2. Implementation challenges
3. Auditing challenges

Trends, Drivers and Benefits

Early adopters were large international companies

- E.g., petro-chemical, oil & gas

Drivers

- Corporate assurance requirements
- Seeking efficiencies

Benefits

- Reduced duplication of effort
- More effective processes (e.g., risk assessment, CAPA)
- Integration into company culture
- Improved safety and environmental record/performance

Annex SL (previously ISO Guide 83)

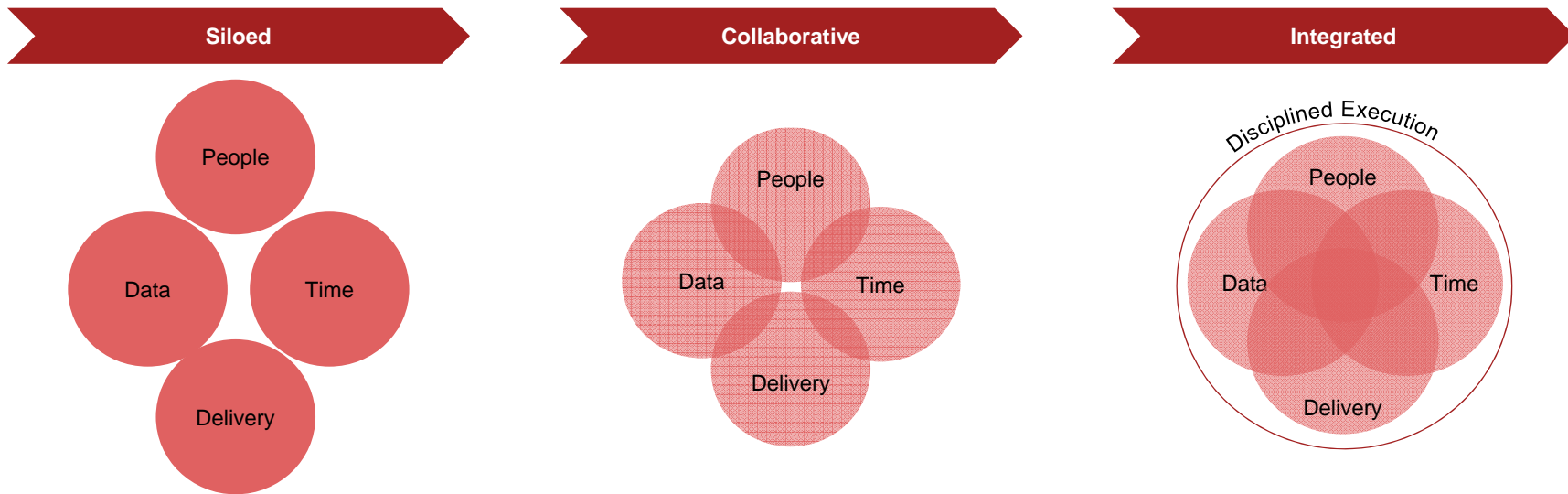
Introduced in response to criticism from users of the standards that current standards are not sufficiently aligned, making it difficult to integrate management systems with minimal redundancy.

Annex SL gives direction to the standard's developers.

- Provides for a **high-level structure** and **identical core text** for management system standards and common core terms and definitions for management system
- ISO 14001 (Environment) revision expected in early 2015,
- ISO 9001 (Quality) revision expected in early 2015,
- Anticipate will also lead to a revision of OHSAS 18001

Challenges to Implementing Integrated MS

Organizational structure dictates where on the continuum of MS integration an organization exists.



People	Low Motivation	Pockets of Excellence	High Competence & Motivation
Time	Lagging	Leading	Predictive
Data	Raw	Trended	Modeled
Delivery	Reports	Scorecards	Interactive Dashboards

Desired End State

Successful MS integration builds on the organizational strategy to enable the right people to make informative impactful decisions about the business.



Key Steps

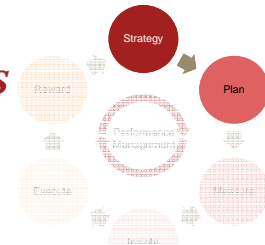
- Distill strategic objectives to identify the critical information required at each level of the business
- Define metrics that drive action and deliver the insights required to make informed decisions
- Conduct tiered reviews to reward and execute deliberate corrective action

Salient Messages

- Performance management process focuses on achieving goals using *sustainable* means
- Performance visibility aligns metrics with performance drivers; however, metrics alone do not improve performance

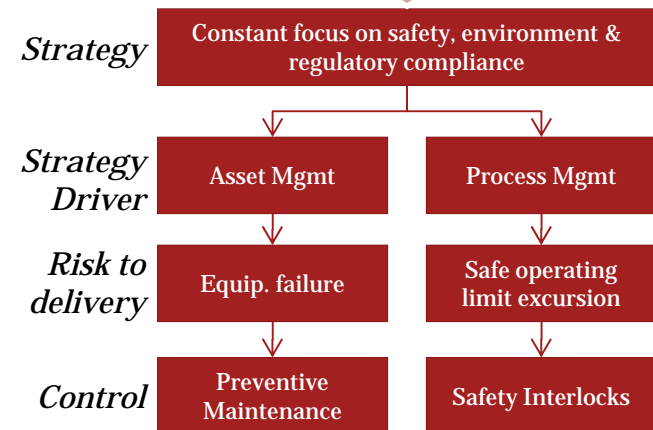
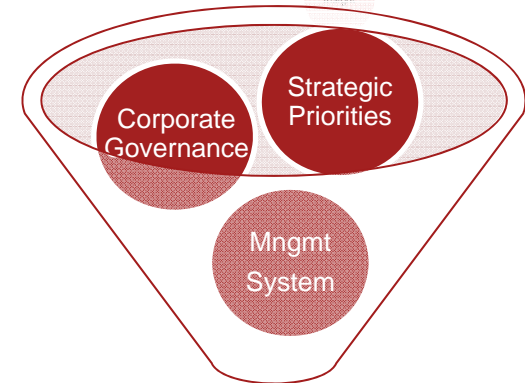
Alignment to Support an Integrated MS

Clear alignment of strategy and plan that is dynamic and focuses on both financial and non-financial aspects is crucial to provide visibility into execution of strategic priorities.



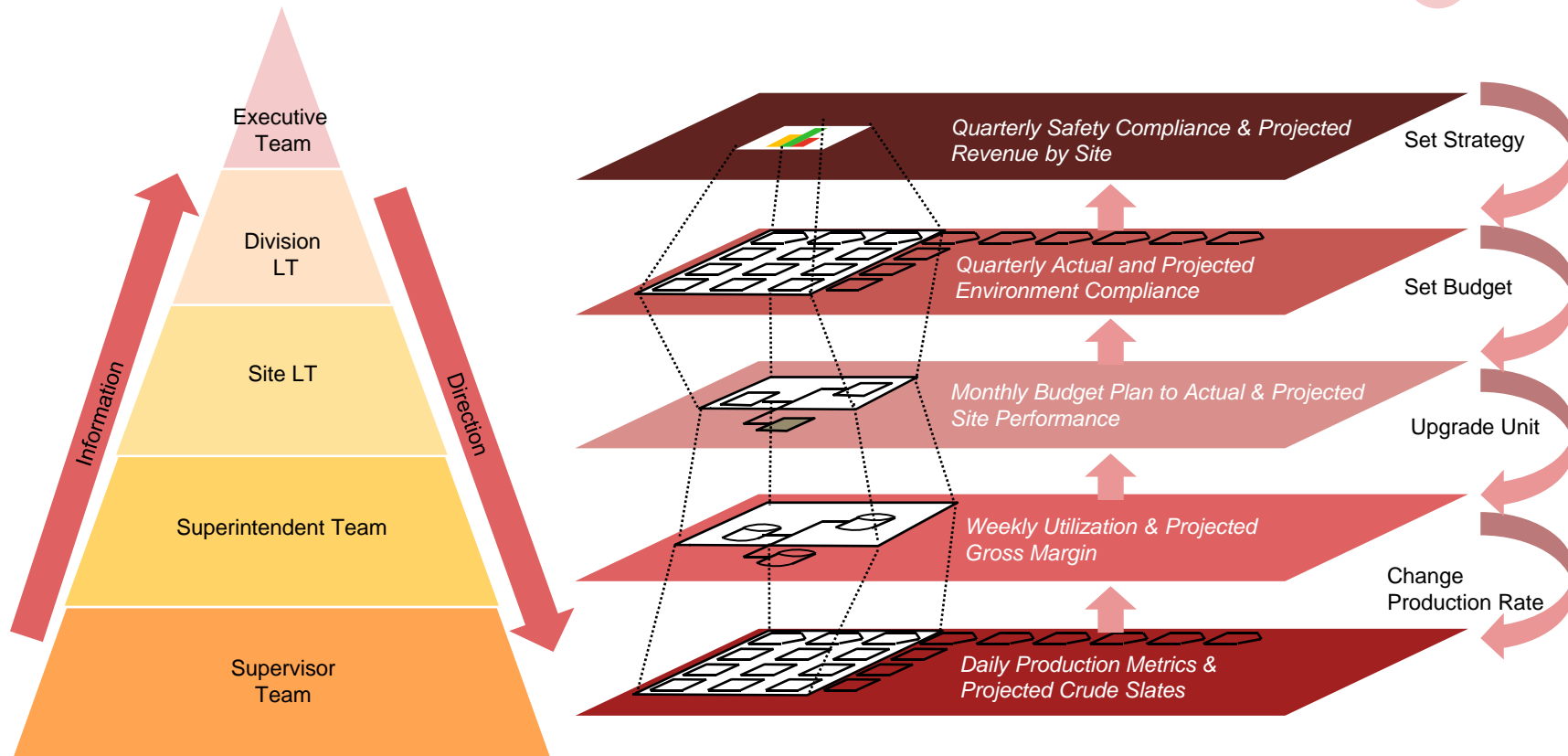
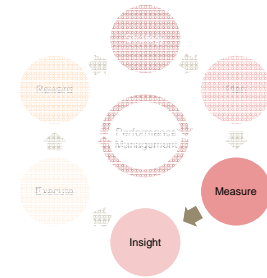
Strategy - Priorities	Plan - Key Elements
<ul style="list-style-type: none"> • Constant focus on safety, environment, and regulatory compliance • Improve margin capture, operating costs, & reliability • Complete major, value-added capital projects • Embed a Management System in organization • Execution excellence 	<ul style="list-style-type: none"> • Strategic Value Drivers and potential risks and controls • Performance measures aligned to strategic value driver and risks and controls • Cascade risks, and controls across organization • Governance structure to drive collaboration, accountability, and data accuracy

Red Flags
<ul style="list-style-type: none"> • No use of risk and opportunity based frameworks for prioritization • No linkage of plans to strategy • Poorly defined roles and accountabilities • Plans not linked to performance measures • Fragmented management, statutory and external processes



Integrated Metrics and Tiered Reviews

Site level data drives improved operational performance and rolls-up to inform corporate level decisions through robust and structured reviews.

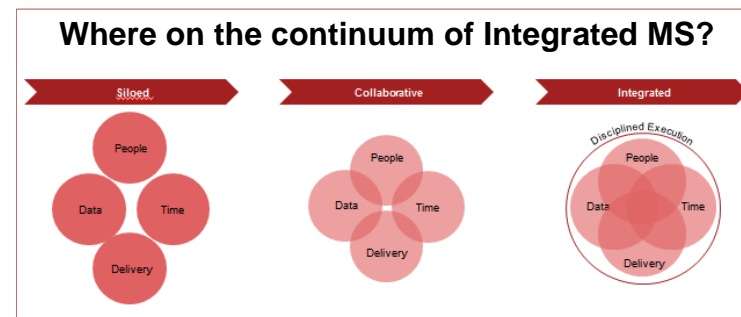
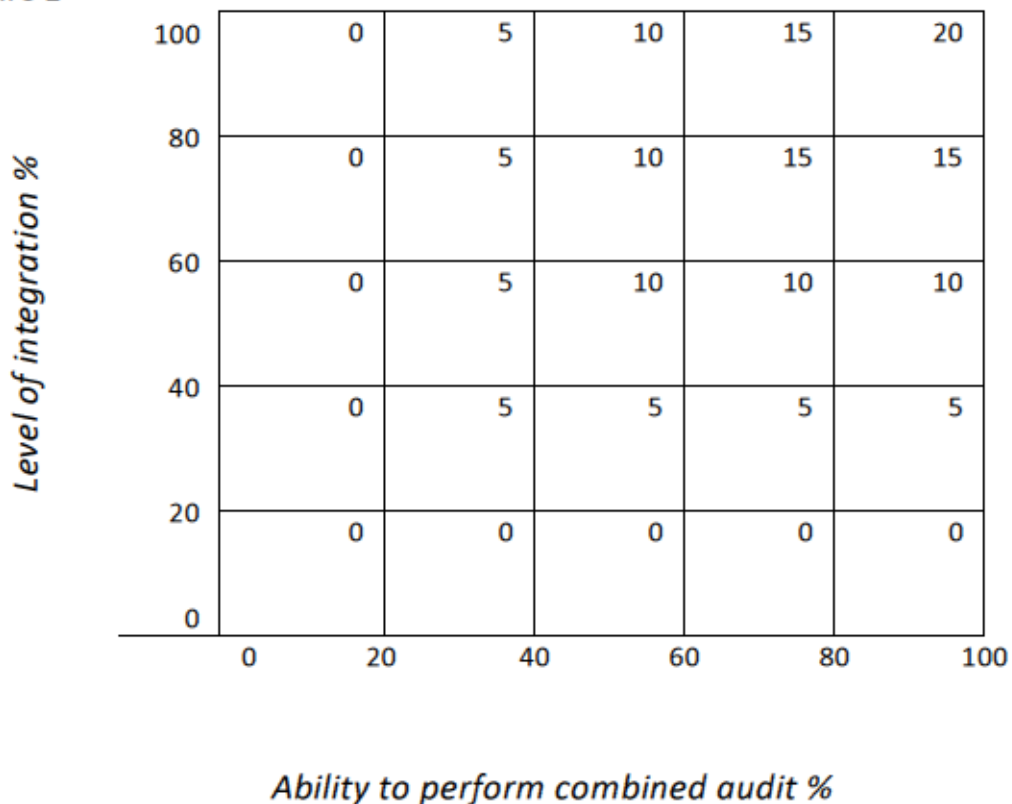


Challenges in Auditing Integrated MS

Requirements of the Auditing Standards – e.g., IAF MD 11

ANNEX 1 – REDUCTION OF AUDIT TIME

Figure 1



How to assess auditor competency?

Technical Experience
 =
Education + Industry Experience

Challenges in Auditing Integrated MS

Creating value for the auditee

- How to achieve efficiency in auditing?
- How to add value through knowledge and depth of experience?
- Consulting vs. adding value. What's the difference?

Food for Thought

1. How do we assess the extent to which an organization's MS is integrated?
2. How can one person fulfill all of the technical attributes required for assessing an integrated MS?
3. Are there actually any efficiencies gained in auditing an Integrated MS?
4. How do we strike a balance between adding value for the client without being perceived to be consulting?

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