

Covid-19 calls for balance strategy for technical audits

Engineering projects face a growing range of audits, assessment and monitoring, but will Covid-19 restrictions on movement make it difficult for consultants to carry out this vital work?



Pre-Covid on-site inspection

The answer lies in leveraging information systems and communication platforms, and finding innovative ways of verifying information that used to be confirmed during a site visit. While some audits monitor a range of project risks on behalf of financiers or investors, others are necessary to satisfy regulatory requirements.

“Meeting clients face-to-face on a project site has usually been considered by consultants as an integral part of conducting an audit or assessment. But Covid-19 lockdown conditions have forced us to look at other ways of verifying information. This might include the sharing of satellite imagery online, or live data reviews with the client as part of the audit record,” says Chris Dalglish, SRK Consulting (SRK) principal environmental scientist.

Most audits require a combination of desktop work – analysing documentation and data from the client – and on-the-ground observation conducted during a site visit.

“In many of the larger, international projects where we monitor environmental and social performance against good international industry practice (GIIP) such as the Performance Standards of the International Finance Corporation (IFC), it is certainly very useful, even essential, to be physically present,” he says.

This is particularly the case where an audit needs to ascertain the capacity of health, safety and environment (HSE) teams, and to assess whether something has been done to the required standard.

"Other types of audits require us to analyse past performance rather than current activities, and here the documentation is really the focus," he says.

Site visits

The amount of time required on site also depends on the phase of the project, says Sharon Jones, also a principal environmental scientist at SRK.

"For instance, the National Environmental Management Act (NEMA) requires statutory audits against Environmental Authorisation. These focus in a fairly binary manner on whether the conditions of these authorisations are being implemented on site," she says.

Many of these are conducted when the project is already operational, so much of the work has already been undertaken and the project is either compliant or not.

"These kinds of audits lend themselves more to document review, where we scrutinise the systems in place and the documented evidence of action. This aspect is usually more important than observing directly what is being done on site," Jones says.

The same usually applies to audits for water use licences and atmospheric emissions licences. Here, documented evidence must be supplied by the client, for the consultant to audit against local compliance limits and international standards. This data is provided in good faith that it is accurate and valid.

"In the past, there has generally been a 'close out' session with the client, in which the consultant returns to site following an audit, to report back. Working remotely under Covid-19 lockdown conditions, it is clear that some of these interactions can be conducted remotely," she says.

However, she emphasises that there are several minimum requirements for a remote audit to be an acceptable alternative to a site visit. For example, the consultant will generally have seen the site before, and on site conditions must not change between seasons. Also, the consultant will have to be satisfied with the culture in place at the client's operations – in terms of overall adherence to good international practice. This would provide assurance that audit data provided by the client is correct and reliable. Under these conditions, there may be an opportunity for clients and consultants alike to save on the cost and time of travelling to site.

Digital communications platforms

Dalgliesh says that digital communication platforms are proving invaluable in making remote audits more feasible.

"Meetings and conferencing using online platforms can often facilitate the iterative nature of our role, where we may need to be in close contact with a client over a period of time. Doing this remotely can also make the process more focused and economical," he says.

Apart from the time and cost savings of not travelling to site – which may even involve regional or international travel – these online communication tools allow specific people within an organisation to be targeted for discussion as and when necessary, instead of having a large client team on standby.

A practical point not to be overlooked is that time is a scarce resource, and time spent travelling to site could often be better spent on the more detailed interrogation of existing documentation.

"A move towards doing more of our work remotely is likely to mean that we spend more time evaluating documented data. This might even change our approach towards doing more desktop preparation, and might be the new normal for certain categories of audit. The physical visits – which could be fewer and further between – would be for the purposes of verifying and corroborating rather than discovery," says Jones.

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