

NA-017 Audit and Monitoring

Policy: It is NANDTB policy that all its activities shall be subject to periodic audit as part of a continuous improvement strategy.

1 Introduction

The Board has obligations under the Associations Incorporations Reform Act of Victoria and to CASA to monitor and report on its financial management and the Schedule Functions described in the Grant Agreement. Ongoing membership of the European ANDTBF is also dependent on independent oversight of the Boards activities. This procedure describes the Board's internal and external audit processes.

2 Auditor

The Chairman will appoint a competent Board member as internal auditor. The audit is administrative and not technical. Accordingly, it need not be undertaken by a NDT Level 3. CASA or other external entity will be used as the external auditor.

3 Audit Report

The Auditor will provide a written audit report of findings and observations to the Chairman as soon as practicable after its completion, but not later than 30 days. The audit report shall record a response against each element of the audit guide, and identify specifically;

- a) Findings of non-compliance,
- b) Observations of potential non-compliance,
- c) Opportunities for improvement.

4 Remedial, Corrective and Preventative Action

The Chairman will prepare a preliminary response for circulation to Members. The Board will assist the Chairman identify the root cause, remedial, corrective and preventative actions for non-compliance(s), and any actions to be taken on observations. The Chairman's final audit response is presented to the Board at the next scheduled meeting, and retained along with the audit report as part of the agenda documents.

5. Responsibilities

- a) Chairman appoints the auditor, reviews the findings, initiates and records corrective and preventative actions and after input from the Board prepares a final report.
- b) Auditor conducts the audit in accordance with the Audit Guide and reports to the Chairman within 30 days of completion.

- c) Secretary receives copies of the audit, remedial, corrective and preventative action confirmation and audit response for tabling at the next Board meeting, and retains on file as part of the meeting agenda documents.

6 Internal Audit Guide

Part 1: The auditor will assess and provide a written report on each of the following elements required by the Grant Agreement.;

a) NANDTB Procedures

- (i) Has the NANDTB maintained operational procedures for the operation of the Board, and have they been reviewed within the past year?

b) Regular Board meetings

- (i) Has the Board held at least two meetings during the deed period? Was adequate notice of meetings provided to members and observers (14 days)?
(ii) Were the meetings' business recorded satisfactorily and did CASA receive a copy of the minutes?
(iii) Were the meetings conducted in accordance with NANDTB procedures?

c) European Forum of NANDTB's

- (i) Has the NANDTB maintained membership of the European Forum for NANDTBs?
(ii) Did the Board attend at least one European Forum meeting in the past 12 months?

d) Provision of technical advice

- (i) Do the NANDTB procedures have an effective documented process to receive and respond to questions about NDT and NDT training and qualification?
(ii) Was there any technical advice provided to CASA through the CASA NDT Coordinator, and is there a record?

e) Training advice and facilitation

- (i) Was there any NDT awareness training provided to CASA or the aerospace industry, and is there a record?
(ii) Has the NANDTB provided the services detailed in AS3669 when reasonably requested by a member of industry or CASA? These services include:
- Recognition of NDT Level 3 qualifications
 - Recognition of NDT Technician training
 - Recognition of NDT Technician qualifications
 - Recognition of NDT examinations and assessments
 - Recognition of In-house training and assessment

f) Memorandum of Understanding (MoU) with AINDT

Has the NANDTB maintained a formal memorandum of understanding with the Australian Institute for Non-Destructive Testing.

g) Governance Structure

- (i) Has the NANDTB remained an incorporated body and met the requirements of incorporation under the Associations Incorporations Act 1981 (Vic.) including the recording and acceptance of Board meeting minutes, management of financial arrangements, detailed recording of financial expenditure and appropriate election and membership processes?
- (ii) Is the NANDTB website effective in managing enquires? Does the website contain links to appropriate information sites (e.g. NAAs, other NANDTBs, relevant standards)?
- (iii) Has the NANDTB kept detailed financial records of all expenditure and acquitted expenditure only against the functions of the Board as shown in the Grant Agreement?
- (iv) Has the NANDTB continued to manage its financial affairs in accordance with documented financial procedures acceptable to the incorporations law and CASA?
- (v) Has the NANDTB granted CASA access to review the financial statements of the NANDTB within 7 days of a formal request?

h) Insurance Policies

- (i) Has the NANDTB maintained a public liability insurance cover, with a limit of at least \$5 million in respect of each and every occurrence?
- (ii) Has the NANDTB maintained a professional indemnity insurance cover, with a limit of at least \$5 million in respect of each and every occurrence?
- (iii) Has the NANDTB maintained a workers' compensation insurance cover?

Part 2: The auditor will assess and provide a written report on the Board's compliance with its own Management System as shown in its procedures;

NA-001 Identity and Recognition
NA-003 Membership
NA-004 Rules of Governance
NA-005 Meetings
NA-006 Dispute Resolution Procedure
NA-008 Electoral procedure to appoint Board members
NA-009 Information and Communication
NA-013 Requirements for Control of Examinations
NA-015 Finance
NA-017 Audit and Monitoring
NA-019 Level 3 Recognition for AS 3669
NA-020 Recognition of NDT Technician Training
NA-021 Recognition of NDT Technician Qualifications
NA-023 Risk Assessment
NA-024 Level 3 Recognition for EN4179
NA-025 Document Assessment

7. External Audit Guide

The external audit is based on Annex C of prEN4179 *Aerospace Series-Qualification and approval of personnel for Non-destructive Testing*. This annex specifies the requirements for qualification of NDT personnel under the general control of a National Aerospace Non-destructive Testing Board (NANDTB) in accordance with this standard

In addition to this annex, CASA may extend its audit to include financial and other obligations to it by the Board.