



Transport
Asset Standards
Authority

Asset Standards Authority

AEO audit process

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AEO Surveillance Program

The Audit & Compliance Unit undertakes risk-based audits on AEOs on the service areas for which it has authorisation.

Surveillance audits:

- Measure the level of compliance with authorisation requirements including demonstrated evidence of active deployment in an organisational and/or project environment.

Special Audits:

- Initiated in response to an identified risk or special request
- Outside of the scheduled surveillance audit program.

Technical reviews:

- A discipline-based activity that can be initiated to review a specific technical area or process. May also be in response to an incident.

AEO Surveillance Program

What does the ASA expect to see at a surveillance audit?

The Audit & Compliance Unit undertakes risk-based audits on AEOs on the service areas for which it has authorisation.

This ensures that both process and product are compliant with AEO Authorisation Requirements.

- Implementation of the technical capability according to the AEOs
 - Evidence sought of active deployment at project level
- Implementation of the AEOs own quality system
- Identified risks from previous assessment or audits being managed

Acknowledged improvements in the business at a systems level can lead to the maturity rating being reviewed and lifted.

AEO Surveillance Program

Audit Programing

- Surveillance audits are planned adopting a risk-based approach

Audit frequency

- An initial surveillance audit is generally undertaken around 12 months after a company is granted AEO status
- Subsequent audit frequency depends on factors such as AEO maturity rating, project performance and their management of risks

Audit Scope

- Various sources of information are used to develop audit scope
 - Engineering Services Matrix, previous findings, action management responses, high risk projects, incidents etc
- A consultative process is adopted during scope development

Action Management

Managing Risks and Action Management

Risk management is the process of recognising risks and developing methods to manage those risks through mitigation or elimination.

1. The ASA identify risks during audits and *protect* TfNSW by imposing conditions upon the AEO to address the risks through assigned **actions**
2. The AEO responds to each identified risk by either reducing it to an acceptable state or eliminating it, thereby addressing actions
 - The AEO develops **action management plans**
3. The ASA then follows the action management process to ensure that the AEO addresses the actions to close-out

Audit findings requiring action

Risk allocation to identified action areas

Risk Level	Conditions	Action
Low	A low level risk with monitoring required. The services can be provided with the identified threat, but the threat must be monitored to identify changes that could increase the risk level. Low level risks may therefore evolve into medium level risks if not addressed.	Opportunity for Improvement
Medium	A medium level risk with conditions applied. The risk is currently acceptable for this service however the AEO must provide evidence to eliminate or reduce the threat within the nominated timeframe. An action plan is required by the AEO and the condition will be monitored under the action management process applied by the ASA.	Area of Concern
High	A high level risk with conditions applied. The risk is not acceptable and the AEO must provide evidence to eliminate or reduce the threat before the service can be provided. An action plan is required by the AEO and the condition will be monitored under the action management process applied by the ASA.	Area of Concern