

The UK Nuclear Industry Good Practice Guide To:

# Independent Oversight



This Nuclear Industry Good Practice Guide was produced by the Independent Oversight Working Group and published on behalf of the Nuclear Industry Safety Directors Forum (SDF)

**December 2018**

## Revision History

Issue Number	Revision Date	Changes
Issue 1	Jan 14	First Issue of Independent Oversight Good Practice Guide
Issue 2	Dec 18	Update in line with SDF Good Practice Guide template

It is recognised that – through the experience of using these Guides – there may be comments, questions and suggestions regarding its contents.

In the first instance, any such comments should be sent to the IOWG chair, the current chair can be found at:

<https://www.nuclearinst.com/SDFSub-Groups>

## ***Foreword***

In the nuclear industry, the potential consequences of the technology that we work with for the public, workforce and the environment are so significant that it is vital that we operate to the highest standards of safety, security and environmental protection. Part of that involves taking an independent view of our performance as organisations and being open to what that view is telling us; what we know as independent oversight.

The Nuclear Industry Safety Directors' Forum is keenly aware of the responsibility we have to ensure that the industry works to the highest standards. The primary purpose of an independent oversight function is to provide assurance to directors of their organisation's safety, security and environmental performance. However, we are also acutely aware that effort spent on providing such assurance must be used efficiently and to the best effect.

This Good Practice Guide sets out a number of tools and techniques that organisations can use to make the best use of their independent oversight functions. It covers the full cycle of activities from setting the function's mandate, through planning, to delivery and reviewing effectiveness. It is intended to help all organisations, irrespective of size or relative maturity, to deliver effective and efficient independent oversight of their performance. Effective independent oversight is recognised as an enabler to high performance and a guard against complacency.

In putting together this Good Practice Guide, the Independent Oversight Working Group have considered inputs from UK nuclear industry, UK Regulators, non-nuclear industries and recent guidance issued by the World Association of Nuclear Operators & International Atomic Energy Agency. It brings together learning from a wide variety of sources and I commend it to the directors, senior management and independent oversight teams of the UK nuclear industry.



Mark Neate,  
SDF IOWG Sponsor,  
Sellafield Ltd Executive Director for Environment, Safety & Security

## ***Safety Directors Forum***

In a sector where safety, security and the protection of the public and environment is, and must always be the number one priority, the Safety Directors' Forum (SDF) plays a crucial role in bringing together senior level nuclear executives to:

- Promote learning;
- Agree strategy on key issues facing the industry;
- Provide a network within the industry (including with government and regulators) and external to the industry;
- Provide an industry input to new developments in the industry; and,
- Ensure that the industry practices and promotes continuous improvement.

It also looks to identify key strategic challenges facing the industry in the fields of environment, health, safety, quality, safeguards and security (EHSQ&S) and resolve them, often through working with the appropriate UK regulators and HMG, both of whom SDF meets twice yearly. The SDF members represent every part of the fuel cycle from fuel manufacture, through generation to reprocessing and waste treatment, including research, design, new build, decommissioning and care and maintenance. The SDF also has members who represent the Ministry of Defence nuclear operations, as well as "smaller licensees" such as universities and pharmaceutical companies. With over 25 members from every site licence company in the UK, every MoD authorised site and organisations which are planning to become site licensees the SDF represents a vast pool of knowledge and experience, which has made it a key consultee for Government and regulators on new legislation and regulation.

The SDF has a strong focus on improvement across the industry. It has in place a number of subject-specific sub-groups looking in detail at issues such as radiological protection, human performance, learning from experience and the implementation of the new regulatory framework for security. Such sub groups have developed a number of Codes of Practice which have been adopted by the industry.

## ***Independent Oversight Working Group***

This document is produced by the Independent Oversight Working Group which is a sub-group of the Safety Directors' Forum. The main purposes of the IOWG are to:

- Exercise ownership of the Independent Oversight Good Practice Guide;
- Provide an effective industry forum for consultation on standards and legislation;
- Provide a conduit for communication on the conduct of independent oversight;
- Identify and promote learning and information sharing;
- Facilitate cross industry peer assists;
- Provide a coordinated approach to emergent issues; and
- Advise the SDF on matters of concern or opportunities to improve.

This Good Practice Guide provides guidance and principles to the UK nuclear industry. Such guidance is not mandatory, nor does it seek to identify minimum standards. It aims to provide a tool kit of methods and processes that organisations can use if appropriate to their operations, sites and facilities. When using the information contained within the SDF's Good Practice Guides, the individual organisation always retains the accountability for developing, empowering and supporting the oversight function that meets its needs and is proportionate to its hazards and risks.

The following companies and organisations are participating members of the IOWG:



The contribution of the Young Nuclear Professional Forum in the generation of this Good Practice Guidance has been invaluable.

### ***Disclaimer***

This UK Nuclear Industry Good Practice Guide has been prepared on behalf of the Safety Directors' Forum. Statements and technical information contained in this Guide are believed to be accurate at the time of writing. However, it may not be accurate, complete, up to date or applicable to the circumstances of any particular case. This Good Practice Guide is not a standard, specification or regulation, nor a Code of Practice and should not be read as such. We shall not be liable for any direct, indirect, special, punitive or consequential damages or loss whether in statute, contract, negligence or otherwise, arising out of or in connection with the use of information within this UK Nuclear Industry Good Practice Guide.

This Good Practice Guide is produced by the Nuclear Industry. It is not prescriptive but offers guidance and in some cases a toolbox of methods and techniques that can be used to demonstrate compliance with regulatory requirements and approaches.

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# Introduction

## ***Background***

The organisation, through its Board of Directors and senior management, has the ultimate responsibility for the design and implementation of an oversight framework and governance structure for monitoring of its performance. To achieve this directors and senior managers should have access to objective information on which to make judgements and decisions.

Organisations have governance structures and arrangements to review the performance of their operations and receive information from a number of sources. Assessment activities are undertaken at various levels within the organisation in order to provide assurance that SSHEQ risks are being effectively controlled.

## ***Aims***

This guidance has been produced by representatives of the UK nuclear industry. The purpose is to provide guidance that is useful to a wide range of organisations by helping define, build and maintain an effective capability to provide directors and senior management with quality information which is independent from the operational line. This guide does not set mandatory requirements on any organisations, nor does it identify minimum standards. It provide a tool kit of methods and processes that organisations can use if appropriate to their sites and facilities. The responsibility for arranging independent oversight remains with the organisation.

This Good Practice Guidance (GPG) has been produced by the Independent Oversight Working Group (IOWG) set up under the auspices of the Safety Directors Forum (SDF) and has sought to distil good practice from across a broad spectrum of the UK civil and defence nuclear industry. Account has also been taken of relevant information and guidance issued by the International Atomic Energy Agency (IAEA), World Association of Nuclear Operators (WANO), The Institute of Nuclear Power Operations (INPO), Submarine Enterprise Peer Review (SEPR) and UK regulators. Both the SDF and the IOWG welcome comments on how the GPG can be improved for potential future revisions.

## ***Scope***

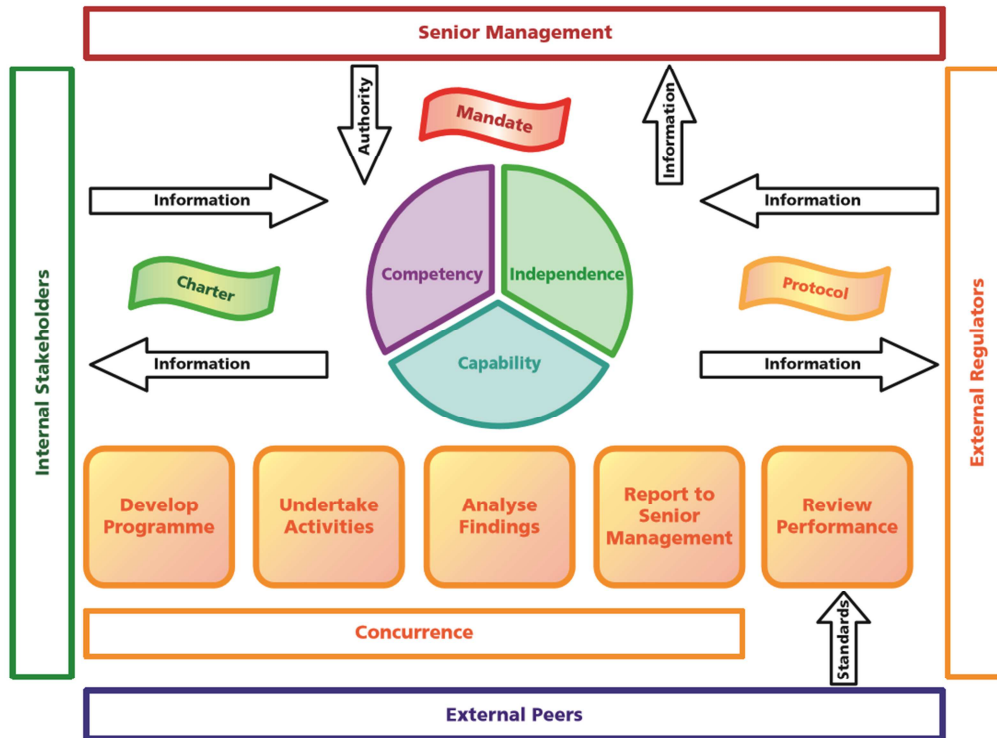
The scope of the independent oversight function within an organisation is heavily influenced by the nature of the organisation's activities, the risks and hazards that it manages and the structure of the organisation itself. The tools and techniques that this GPG contains are aimed at those operations, activities and processes that are capable of creating a hazard that could potentially harm individuals on or off the site, impact the environment, or present a risk to the safeguarding and the security of nuclear material. It is relevant to organisations that hold or intend to apply for a licence issued by the Office for Nuclear Regulation (ONR), permits issued by the Environment Agency (EA) or Natural Resources Wales and authorisations issued by the Scottish Environment Protection Agency (SEPA).

The GPG outlines a set of principles for the planning, undertaking and reporting of independent assessments and provides guidance on how these principles might be implemented in practice.

Figure 1 illustrates the necessary attributes and processes of the oversight function responsible for the planning, undertaking and reporting of the independent



assessment activities together with the interfaces and communications with other parties involved in the independent assessments.



**Figure 1: Attributes and Processes of the Oversight function**

A checklist is provided in Appendix G to assist directors and managers of the oversight function in the assessment of their organisational arrangements against the key requirements of the GPG. This is not intended to be prescriptive or constrain the adoption of other methods or organisational arrangements. However, this GPG represents the industry’s understanding of good practice which, if followed, should promote a consistent approach and be effective.

## **Terminology**

Throughout this GPG the following terminology applies:

**SSHEQ** includes all potential causes of harm to individuals and the environment arising from environmental protection, safety (nuclear and conventional), safeguarding, security and quality.

**Independent** in the context of this document means an independent person or group who have no direct line management responsibility for, or vested interest in, an activity and who has not previously been involved in making decisions.

**Challenge** involves questioning and requiring an explanation and/or justification for a decision or course of action that has the potential to affect SSHEQ.

**Assessment** involves the collection, review and challenge of information to enable an evaluation of performance to be made. Assessment activities can be undertaken by local operational managers, site and project management teams as well as by independent personnel. This includes document review, inspection, audit, task observation and surveillance.

**Independent Oversight** is the totality of the challenge and assessment activities undertaken within the organisation to provide information to directors and senior management. The inter relationship between different assessment activities is depicted in Figure 2.

**Assurance** is the view of the organisation's performance that the independent oversight function gives to the directors about the organisations SSHEQ performance.

The term **Independent Oversight Function in the context of this document refers to** the departments, functions and individuals responsible for assessing the organisation's SSHEQ performance which is independent from the operational / functional line. The title of this function should be aligned with the functional titles within the organisation to give a clear understanding of its role.

Figure 2 provides an illustration of the layers of oversight that may be applied within an organisation this GPG applies to the independent oversight layer. Further guidance is contained within GSR Part 2. Each organisation should describe the interrelationship between the various layers in its management system.

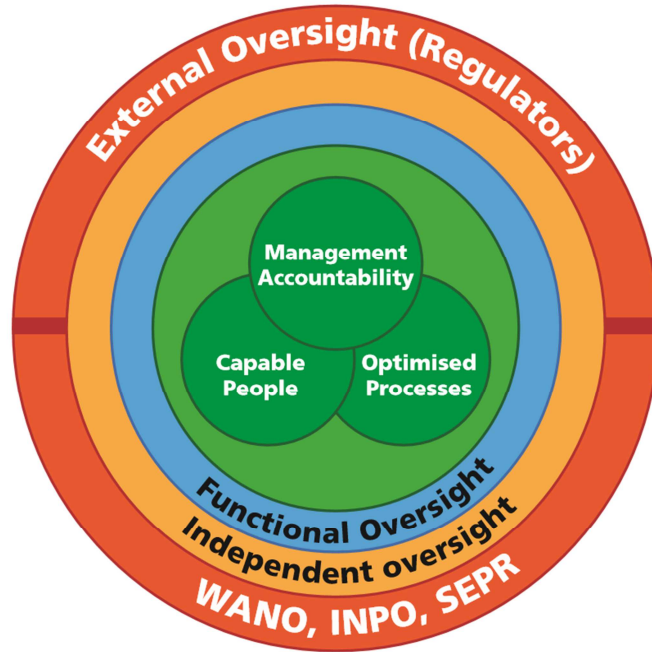


Figure 2: Inter relationship between forms of oversight

**Assessors**, in the context of this document, refer to those carrying out assessment activities. They may be staff members of the independent oversight function or members of other teams supporting the independent oversight function.

**Organisation**, in the context of this document, refers to those organisations conducting activities which require, or will require in future, the holding of a nuclear site licence, MoD authorisation, Environmental permits, approved security plans or other specific statutory permissions.

**Delivery Function**, in the context of this document, refers to those functions of an organisation which deliver the organisations objectives. This could include operations, maintenance, design, projects etc.

**Oversight Programme** is the totality of the independent assessment activities undertaken by the oversight function.

**Mandate** is the authorisation and purpose given to the oversight function by the directors.

**Scope** is the range of the organisation's activity that the oversight function has been mandated to evaluate the performance of. This typically includes SSHEQ performance as a minimum.

**Conditions** are final conditions or requirements placed by a regulatory body on award of a nuclear site licence, MoD Authorisation or Environmental Permits.

**Concurrence** is achieved where the findings of the independent assessment are supportive of the manager's intended decision prior to a key decision being taken. These activities could include the independent review of safety cases, assessments to support the continued operation of a facility, the clearance of "hold points" associated with major organisational changes, plant modifications and plant outages as well as "readiness reviews" requested by senior management.

### ***Application/Readers Guide***

This GPG has been aimed at those who are accountable for delivering independent oversight within an organisation. Much of the information is intended to be read by practitioners and those with an understanding of the UK Nuclear Industry and their own organisational context; there are specific sections aimed at directors and senior management.

It is possible to read this document “front to back” and this can be advantageous for those who are new to their role or the subject matter. However, this GPG is mainly intended to be used as a reference and each section should stand alone sufficiently to enable each section to be used on its own.

While this GPG contains guidance and good practice gleaned from a number of sources it is focused on the UK legal and regulatory context. The reader should take care to ensure that the application of the guidance is appropriate for their organisation, activities and legal and regulatory frameworks.

This GPG is written in the context of a holistic approach to independent oversight where the tools, techniques and guidance can be applied across the full scope that is mandated by the directors and senior management.

# Introduction to Subject Matter

## ***Relevant legislation***

There is a wide range of legislation that covers the operation of nuclear facilities and installations within the UK, none of which mandates an independent oversight function within an operating organisation.

From a Nuclear Safety perspective, ONR attaches 36 Standard Licence Conditions (LCs) to each Nuclear Site Licence. Licence Condition 17 – Management Systems is generally taken to include that “adequate arrangements” should contain some assurance arrangements that are independent of line management. This is reinforced in the Safety Assessment Principles (SAPs), Technical Inspection Guides (TIGs) and Technical Assessment Guides (TAGs).

Environmental issues are regulated separately in England, Scotland and Wales. However, the standard conditions and guidance in all three jurisdictions require management systems to ensure compliance with permits / authorisations and reviews of effectiveness of these systems. It is therefore incumbent upon senior management to have a mechanism for gaining confidence that the environmental management systems are appropriate, effective and being complied with.

For security the Security Assessment Principles (SyAPs) issued by ONR make a clear expectation for “...evidence-based assurance processes...” under Fundamental Principle 1. There is therefore a clear expectation of security assurance.

Within the UK Defence Sector a number of Crown operated sites are subject to MoD Authorisation rather than Licensing by ONR. For these sites the Defence Nuclear Safety Regulator stipulates Authorisation Conditions which are analogous to the ONR Licence Conditions (noting that at some locations both licensing and authorisation regimes apply).

As well as UK regulators, international organisations such as WANO and the IAEA recognise the importance of duty holders critically examining their own organisation’s performance in matters that cover SSHEQ. WANO and the IAEA have published joint guidance specifically covering independent oversight.

It is important to note that, within the non-prescriptive, objective setting, UK regulatory context, it is for the organisation to mandate its appetite for independent oversight and then empower the identified oversight function to deliver it on behalf of the Board of Directors. In this way the need for independent oversight comes from within the business in order to give itself confidence in its performance, identify potential shortcomings and achieve its own desired level of performance. When this is clearly articulated, and the appropriate team and arrangements are in place, then oversight will become a useful tool in the organisation’s ability to manage its risks and hazards while achieving its outputs in an efficient and effective manner.

## Guiding Principles

Fifteen principles for the planning, undertaking and reporting of independent assessments have been identified during the development of the GPG. These are

**Principle 1** - Directors and senior management establish and value arrangements to enable the independent assessment of performance (oversight) throughout the organisation to be undertaken and periodically review findings reported to them.

**Principle 2** - Responsibilities, accountabilities and authorities for those providing independent assessments are clearly identified, understood and implemented.

**Principle 3** - The established arrangements ensure individuals, departments or functions that are required to undertake independent assessment have sufficient capability and capacity to discharge their responsibilities.

**Principle 4** - Personnel undertaking independent assessments are demonstrably independent from the operational line and have sufficient authority to undertake their duties.

**Principle 5** – Independent assessments provide the directors and senior management with an independent ongoing perspective of performance at the nuclear site(s) and within the corporate organisation referenced to industry standards.

**Principle 6** - Independent oversight and assessment challenges the processes, decision making and behaviours within the organisation with the aim of:

- confirming that both organisational and regulatory requirements and standards are met
- aiding management by identifying problems and their potential causes, and providing guidance on how these might be addressed
- identifying gaps to good practice and supporting continuous improvement across the organisation
- assisting the organisation to avoid complacency through encouraging a feeling of open 'chronic unease'

**Principle 7** - Independent oversight challenges flawed decision making and inappropriate behaviour but does not compromise the authority of operational management.

**Principle 8** - Assessment findings are transparent, evidence based, proportionate and consistent with regulatory requirements, good practice and the standards required by the organisation's senior management.

**Principle 9** - Personnel conducting independent assessments do so with objectivity and integrity to establish a trusting relationship with stakeholders.

**Principle 10** - The oversight programme and associated assessment findings are made available to external regulators to support the establishment and maintenance of a mutually beneficial relationship.

**Principle 11** - The organisational structure, processes and activities required to enable independent assessments to be planned, conducted and reported are documented, controlled and monitored in line with the requirements of the organisation's management system.

**Principle 12** - The effectiveness of the oversight organisation and its arrangements for resourcing, planning, conducting and reporting independent assessments is periodically subject to independent assessment and results are reported to directors and senior management.

**Principle 13** - Individuals undertaking independent assessment activities have the necessary experience, training, skills and credibility to conduct the work, to identify performance shortfalls and to recognise good practices.

**Principle 14** - The response of operational management to assessment findings is monitored and where necessary progressed until a mutually agreed position is achieved.

**Principle 15** - The oversight programme is targeted to provide best value to the organisation and co-ordinated with other parties undertaking inspection, audit and assessment activities.

# Good Practices for Independent Oversight

## 1. Guidance to Directors

Guidance to directors to enable them to obtain information on the performance of their organisation that is independent of the operational line is provided below. It is an assumption of the GPG that the Board of Directors include or have direct access to independent personnel with the expertise necessary to understand the special and unique nature of nuclear operations.

### 1.1. Responsibilities & Resources

The UK Nuclear Industry covers a broad range of activities with many different management and commercial arrangements, as such a “one size fits all” solution is not appropriate. However, both national regulators and international bodies expect a function to be established within the organisation that is responsible for undertaking independent assessments and reporting findings to directors and senior management.

**Principle 1** - Directors and senior management establish and value arrangements to enable the independent assessment of performance (oversight) throughout the organisation to be undertaken and periodically review findings reported to them.

The directors should ensure that the responsibilities for undertaking and reporting findings of independent assessments are defined within the management system. Where this is not achieved by a single department then the departments, functions or the individuals undertaking independent assessments should be identified and the interfaces between them described and documented. It must be clear where the independent oversight function’s authority comes from.

If more than one person is responsible for providing information from the independent assessments to the directors and senior management, then the arrangements by which this is achieved should be described and documented.

**Principle 2** - Responsibilities, accountabilities and authorities for those providing independent assessments are clearly identified, understood and implemented.

The directors should ensure that suitable and sufficient resources are provided to enable an effective programme of independent assessment activities to be developed and implemented.

**Principle 3** - The established arrangements ensure individuals, departments or functions that are required to undertake independent assessment have sufficient capability and capacity to discharge their responsibilities.

The directors should ensure that the necessary authority is provided to enable the assessment activities to be undertaken and that these are undertaken by personnel independent of operational line management. Particular consideration should be given to the availability of information to assessors, by organisations that require oversight of security, where this information may be sensitive or “need to know”.

**Principle 4** - Personnel undertaking independent assessments are demonstrably independent from the operational line and have sufficient authority to undertake their duties.



The directors should be prepared for, and actively seek out, the true situation in the organisation, even if this is bad news. They should also encourage oversight of leadership and be prepared to accept and act upon the outcomes.

## 1.2. Purpose

Directors should ensure that the reasons why independent assessment activities are required to be undertaken are understood within the organisation and they should demonstrate their support of these activities.

**Principle 5** – Independent assessments provide the directors and senior management with an independent ongoing perspective of performance at the nuclear site(s) and within the corporate organisation referenced to industry standards.

The directors should ensure that the basis of independent assessment is defined and understood throughout the organisation.

**Principle 6** - Independent oversight and assessment challenges the processes, decision making and behaviours within the organisation with the aim of:

- confirming that both organisational and regulatory requirements and standards are met
- aiding management by identifying problems and their potential causes, and providing guidance on how these might be addressed
- identifying gaps to good practice and supporting continuous improvement across the organisation
- assisting the organisation to avoid complacency through encouraging a feeling of open 'chronic unease'

## 1.3. Identification of Requirements

The directors should ensure that their requirements for independent assessments are defined and promulgated throughout the organisation. As a minimum these should:

- specify the type, scope and frequency of the reports of independent assessment activities to be provided to directors and senior management;
- identify the standards to be applied when assessing, benchmarking and reporting on performance;
- identify the actions expected to be taken by personnel undertaking independent assessments in the event of a serious performance issue being found;
- address the disclosure to external regulators of information identified from the independent assessment activities;
- include the periodic assessment of the effectiveness of the oversight arrangements.

**Principle 9** - Personnel conducting independent assessments do so with objectivity and integrity to establish a trusting relationship with stakeholders.

**Principle 10** - The oversight programme and associated assessment findings are made available to external regulators to support the establishment and maintenance of a mutually beneficial relationship.

**Principle 12** - The effectiveness of the oversight organisation and its arrangements for resourcing, planning, conducting and reporting independent assessments is periodically subject to independent assessment and results are reported to directors and senior management.

Directors should ensure that the independent oversight activities do not override operational line management responsibilities.

**Principle 7** - Independent oversight challenges flawed decision making and inappropriate behaviour but does not compromise the authority of operational management.

The authority given to the independent oversight function should be mandated within the organisation's management system, typically within a "Mandate" document. This document should summarise the purpose, scope and principal arrangements for the oversight function.

**Principle 11** - The organisational structure, processes and activities required to enable independent assessments to be planned, conducted and reported are documented, controlled and monitored in line with the requirements of the organisation's management system.

#### **1.4. Demonstrating the Value of Independent Oversight**

Additional benefits of an effective independent oversight function, from both an internal improvement and a regulatory compliance perspective are:

Internal organisational benefits:

- Giving warning of gaps to compliance. Compliance with legislation is the minimum that an organisation can be inspected against. However a number of inspection regimes now look at good practice, such as WANO key operational requirements, alongside traditional compliance as well as the need to demonstrate appropriate application of relevant good practice..
- Assessing the organisation against its own values and aspirations. In order to realise the value from independent oversight, it is vital that the independent oversight function is clear on the ambition and risk appetite of the organisation. There is no point in driving an organisation towards operational excellence if the aspiration is limited to compliance. Similarly, the full value will not be realised if the independent oversight function limits itself to compliance when the organisation seeks to achieve a higher level of performance.

Benefits for external regulation:

- External regulators seek evidence of a robust oversight function covering all aspects of SSHEQ in order to give confidence that the organisation is acting responsibly and compliantly, seeking out the weaknesses in its own performance and managing corrective action.
- Enables regulators to stand back from organisations, allowing them to manage the hazards and risks and monitor performance holistically rather than concentrating on low level, task centred activities.

- Supports the move to enabling regulation and flexible permissioning. A robust and credible independent oversight function is a prerequisite for this model to be applied.

**Principle 6** - Independent oversight and assessment challenges the processes, decision making and behaviours within the organisation with the aim of:

- confirming that both organisational and regulatory requirements and standards are met
- aiding management by identifying problems and their potential causes, and providing guidance on how these might be addressed
- identifying gaps to good practice and supporting continuous improvement across the organisation
- assisting the organisation to avoid complacency through encouraging a feeling of open 'chronic unease'

In order to realise the value that accrues from an independent oversight function, there are a number of indicators that can be used. These can be split into leading and lagging indicators. Potential leading indicators include:

- Increased organisational confidence in its own performance leading to improved relationships with investors, owners and other stakeholders.
- Reduction in errors and rework as issues are identified early enabling preventive action to be taken.
- Improved delivery performance, allowing the concepts of enabling regulation and flexible permissioning to be capitalised on.
- Reduction in the number and level of regulatory interventions and findings.
- Opportunities for joint working with the regulator on compliance based inspections.

**Principle 10** - The oversight programme and associated assessment findings are made available to external regulators to support the establishment and maintenance of a mutually beneficial relationship.

If statutory regulators consider that the organisation is capable of finding issues and getting the right outcomes then they will take confidence from this.

Conversely if a regulator doesn't have confidence in the organisation then the following lagging indicators can be observed:

- Increased regulatory attention.
- Where issues are identified they will move towards more formal enforcement if they don't believe that the organisation will deal with the issue effectively.
- Increased scrutiny of submissions and potential delay in the issue of Licence Instruments and other regulatory "permissions".

## **2. Setting the Mandate**

### **2.1. Scope**

The directors should set the mandate by defining the scope of the independent assessment activities they require to be undertaken.

The scope of the defined mandate will vary between organisations but will usually include the various aspects of SSHEQ such as

- Nuclear Safety,
- Conventional Safety,
- Environmental Protection,
- Security,
- Other specific topics relevant to the organisations activities and risks.

The focus of the oversight programme and proportion of time spent on each element will vary by organisation and will usually be informed by the regulatory requirements, organisational appetite and the level of risk.

The work to be conducted will focus on activities with the potential to impact the considerations defined in the mandate and will normally include the independent assessment of:

- Any operations, activities and processes with the potential to affect the areas defined in the mandate. This should include decisions involving funding where this has the potential to significantly affect the mandate scope;
- Documents associated with the design, installation, construction, commissioning, operation, modification and decommissioning of new or existing plants and / or processes with the potential to significantly affect the areas defined in the mandate;
- Documents prepared to justify the impact of, and potential significant changes to, the organisation's structure or resources;
- Information and data to evaluate culture and performance across the organisation with respect to the areas defined in the mandate.

All corporate departments and functions which conduct activities that have the potential to affect performance at the sites should be included.

The following should be considered for inclusion:

- The independent investigation of incidents, accidents or events with the potential to have significant implications across the site or organisation;
- The independent assessment of the case to support the restart of operations following a shutdown or a planned plant outage;
- The independent assessment of the case to support the continued operation of a plant in line with the organisation's periodic review arrangements.

In addition to the above considerations, arrangements should also be made to consider oversight of 'soft projects' e.g. projects that update management systems which may be used to demonstrate compliance with regulatory requirements. Specific considerations for oversight of these activities are discussed further throughout this guidance.

### **2.2. Authority**

In setting the mandate for the independent oversight function, the directors should be

clear about the authority of the function and its members. In general, the members of the oversight function should have the authority to:

- Select the areas of focus that they deem appropriate without undue pressure from the delivery functions to either include or exclude topics or areas.
- Go anywhere and look at anything they need to, in support of delivering their mandate, providing they operate within the arrangements of the company. Where there are to be exclusions or “off limits” areas, these must be formally laid down and approved at the same level in the company as the Mandate.
- Operate within their mandate without fear or favour. This will generally mean having line management that is also independent of the operational delivery arms of the organisation. This may be through a “safety director” or equivalent; wherever possible line management through the operational line should be avoided.
- Report directly to the Chief Executive Officer or other nominated member of the Board, in the highly unusual event of their being unable to resolve a significant SSHEQ concern through the normal operational and oversight management chain.

**Principle 7** - Independent assessment challenges flawed decision making and inappropriate behaviour but does not compromise the authority of operational management.

Is it also recognised that any oversight activities related to the specific security activities of the Civil Nuclear Constabulary (CNC) or Ministry of Defence Police (MoDP) on site will be limited, unless a specific agreement exists between the duty holder and the relevant police authority. Despite this, the ability to conduct assessment of a company's compliance with the Nuclear Site Security Plan (NSSP) or equivalent, is usually within the remit of an independent oversight function.

### 3. Establishing & Maintaining the Independent Oversight Function

The size, structure and reporting lines to enable independent assessments to be planned, undertaken and reported will vary between organisations. Some will have a number of departments or functions undertaking independent assessments, whilst in others these are undertaken by a few individuals within a single department. The term “Oversight Function” is used to represent the departments, functions or individuals fulfilling these roles. This section summarises the organisational requirements and attributes of the oversight function and personnel within it.

If a dedicated group is to be used, then the title used for it should be selected to align with the commonly used terminology within the organisation. The title should give a clear differentiation from the delivery units within the organisation and also make clear its independence. There is no commonly used title within the UK with variations including Independent Assurance, Independent Nuclear Assurance, Independent Oversight and Internal Regulation. However, frequent changes in title should be avoided in order to ensure that the role and mandate remains clear to the organisation at large.

#### 3.1. Organisational Design & Culture

The design of the oversight function should provide an environment that enables individuals working within it to challenge processes, procedures, decisions, behaviours and attitudes at all levels within the organisation. These individuals should exhibit and promote attitudes and behaviours that encourage constructive challenge based on factual and objective evidence and reinforce a positive culture.

**Principle 6** - Independent oversight and assessment challenges the processes, decision making and behaviours within the organisation with the aim of:

- confirming that both organisational and regulatory requirements and standards are met
- aiding management by identifying problems and their potential causes, and providing guidance on how these might be addressed
- identifying gaps to good practice and supporting continuous improvement across the organisation
- assisting the organisation to avoid complacency through encouraging a feeling of open ‘chronic unease’

**Principle 9** - Personnel conducting independent assessments do so with objectivity and integrity to establish a trusting relationship with stakeholders.

The responsibilities for planning, undertaking and reporting independent assessments should be defined. In the event that this is not achieved by a single oversight function, the specific responsibilities for each department, function or individual and the interfaces between them, should be clearly defined and understood by all parties.

The design of the oversight function should ensure that the scope of the activities required by the directors to be the subject of independent assessment can be effectively organised and undertaken. Typically, independent assessments cover three distinct types of activities:

- review of SSHEQ documentation.
- audits, inspections and surveillance activities at sites and within the corporate

- organisation.
- evaluation of operational and oversight performance data / SSHEQ performance indicators (SPI) to identify learning and improvement opportunities.

To ensure that the responsibilities and interfaces between the different roles are effectively managed, the design of the oversight function should take these activities into account.

**Principle 2 - Responsibilities, accountabilities and authorities for those providing independent assessments are clearly identified, understood and implemented.**

The design of the oversight function should take account of the size and complexity of the organisation. For example if the organisation operates at a number of sites and has a corporate office then it may be appropriate to have some staff based at the sites and others at the corporate office.

The design of the oversight function should consider the dispersed location of staff as well the risks from inconsistency of approach and findings. Lines of communication and decision making under these conditions are likely to be complex and need to be reflected in the design of the oversight function.

The type of activities being undertaken by the organisation may influence the design of the oversight function. For example if the organisation is in the process of obtaining a new power plant, but is not yet operating any nuclear facilities then the oversight activities will be different from an organisation that is already operating a nuclear site. In the first case the oversight function would need a capability to undertake the independent review of safety cases, but only a limited capability to undertake audits and the evaluation of performance. Consequently the oversight function staff may be limited to those having the responsibility and competency to undertake independent reviews of safety cases etc. As work to construct commission and operate the nuclear plant progresses, the design of the oversight function should be reviewed and adapted to reflect the need to provide site inspection and performance evaluation capability.

The design of the oversight function should ensure that the span of control is sufficient to bring about the effective management of the independent assessment activities. Should external support be used, the design of the oversight function should ensure that an intelligent customer capability is established and retained by the organisation.

A healthy “internal challenge” function is identified as a core capability for the organisation in the “Nuclear Baseline and the Management of Organisational Change” Nuclear Industry GPG. Independent assessment activities are an essential element of the internal challenge function. The design of the oversight function should take these requirements into account.

The organisation, roles and numbers required to enable independent assessments to be planned, undertaken and reported should be included in the Nuclear Baseline.

**Principle 11 - The organisational structure, processes and activities required to enable independent assessments to be planned, conducted and reported are documented, controlled and monitored in line with the requirements of the organisation’s management system.**

### **3.2. Independence**

The strategic direction and day to day control of the oversight function should be sufficiently remote from operational management to ensure that it is seen and regarded by all as independent. Individuals undertaking and reporting independent assessments should be free to raise “bad news” without fear of sanction.

It is crucial to note that the oversight function can provide advice but cannot become part of the process. If a member of the oversight function does become part of the decision making on a topic they cannot conduct oversight of it; the responsibility for oversight must be formally delegated to another member of the team. When giving advice the limitations of the advisors knowledge should always be considered and acknowledged.

**Principle 4** - Personnel undertaking independent assessments are demonstrably independent from the operational line and have sufficient authority to undertake their duties.

In some organisations “concurrence” is required to support the making of key management decisions, for example, the case for restarting a plant after an outage or the approval of a safety case. Under these circumstances the role of the person undertaking the independent assessment is to form an objective and factual view as to whether the intended decision can be supported. The responsible manager should take the independent assessment findings into account, but remains ultimately responsible for the decision.

If the responsible manager does not initiate action to address the identified issue or concurrence is not achieved then this should be brought to the attention of the oversight management for resolution. The formalisation of an “escalation” process to address these circumstances should be considered and agreed with senior management.

**Principle 14** - The response of operational management to assessment findings is monitored and where necessary progressed until a mutually agreed position is achieved.

### **3.3. Capacity and Capability**

Regardless of organisational structure, the oversight function should have sufficient capacity and capability to discharge its responsibilities. The resources provided should reflect the scope of the work mandated by the directors and take account of the current and future needs of the business.

**Principle 3** - The established arrangements ensure individuals, departments or functions that are required to undertake independent assessment have sufficient capability and capacity to discharge their responsibilities.

The oversight function should have sufficient permanent staff (employees or embedded contractors / agency support workers) to undertake the baseline work programme and to act as the intelligent customer for any work undertaken by external support. Workload and staff vacancies should be actively monitored and succession plans developed. Scarce resources, such as criticality specialists, environmental specialists and human performance experts, should be closely



monitored as capability may be put at risk through changes in the job market and resource availability.

Where work is undertaken by external support, the vulnerabilities and risks to the work programme and reputation of the oversight function should be considered and understood. Establishing a diverse supplier base and contingency plan to obtain in-house capability and expertise should be considered.

The oversight function should have processes and procedures that support the development, training and assessment of competency of its staff. Capability vulnerability can occur if key elements of the independent assessment programme cannot be implemented by individuals who are sufficiently experienced and competent to undertake the assessments. Consideration should be given to the appointment of “leads” or “co-ordinators” to promote consistency of approach as well as ensuring that there is a range of technical capability across the team.

**Principle 13** - Individuals undertaking independent assessment activities have the necessary experience, training, skills and credibility to conduct the work, to identify performance shortfalls and to recognise good practices

The oversight function should provide quality information and effectively conduct its activities if the trust and respect of directors and senior management is to be earned. The capability of the oversight function to ask the “right questions” rather than simply confirming that “the answers to the questions asked are correct” is fundamental.

The allocation of resources for the development and maintenance of procedures for the management of the oversight function, will aid the quality and effectiveness of the independent assessment activities. These procedures should be proportionate to the size and complexity of both the organisation and the oversight function.

The oversight function should have the capability to monitor the delivery of key improvement actions and be able to capture and retain information to form a “corporate memory”. A capacity to learn from its own activities as well as from others and the ability to retain and retrieve records of independent assessment activities is required. Resources to develop and manage IT tools to aid the retention of corporate memory should be considered.

**Principle 14** - The response of operational management to assessment findings is monitored and where necessary progressed until a mutually agreed position is achieved.

### **3.4. Arrangements**

The independent oversight function should carry out its activities in accordance with arrangements that are available to the whole organisation through the management system. The arrangements may be shared with other parts of the organisation (e.g. there is no need for two different audit procedures unless there is good reason to do so) but should be clearly applicable to individuals carrying out independent oversight.

The arrangements should make it clear to the whole organisation how the independent oversight function conducts its activities along with the expectations that the function has of the rest of the business. Assessment activities should then be conducted rigorously in accordance with the approved arrangements so that it is the

outcome that is discussed with the business rather than the conduct of a specific activity.

Where arrangements are specific to an independent oversight function, it may be appropriate to seek a second opinion on their suitability either from within the organisation or externally such as through peer review.

### 3.5. Competency

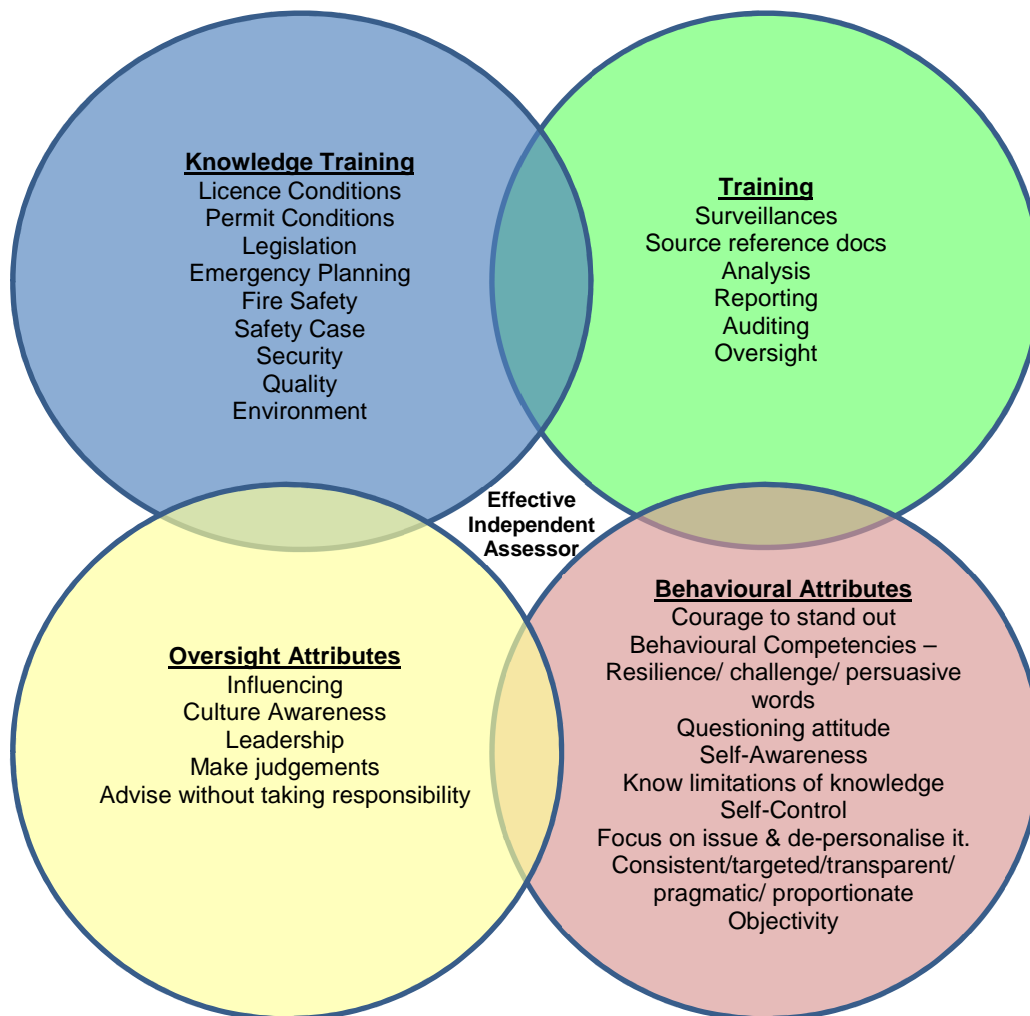
Individuals undertaking independent assessments need a wide range of knowledge, skills and experience so that they can examine and challenge the reasoning and rationale of an idea or decision within the organisation.

**Principle 13** - Individuals undertaking independent assessment activities have the necessary experience, training, skills and credibility to conduct the work, to identify performance shortfalls and to recognise good practices.

The role(s) allocated to the individual will determine the specific knowledge, skills and experience necessary to undertake the independent assessment activities. However, it should be recognised that individuals should be capable of providing effective constructive challenge and also be willing to respond to challenges from others. Identifying and equipping assessors for independent oversight therefore has a number of challenges:

- The independent assessor requires independence from the line function to give objective views.
- The assessor needs to give advice without taking accountability or ownership of the 'issue'.
- The assessor needs to be credible and influential and thus must have the associated experience and knowledge and it is helpful if the assessor is respected and established in the organisation/industry.
- The assessor must be strong in the face of management pressure and have the authority to support this.
- The assessor must show proportionality in the hazards faced and show consistency in approach.
- The assessor needs to understand the 'model of independent oversight', legislation and departmental processes.
- The assessor needs to be competent for the activity being conducted (e.g. document review vs inspection on site) and the topic area being assessed (e.g. nuclear safety vs environmental protection)
- The oversight function, taken as a whole, needs to cover a broad range of knowledge and competencies; as such the oversight function may need appropriate support to achieve this.

Thus recruitment and continuous development of assessors has significant benefits to the long term effectiveness of an oversight function. The following figure shows the key elements which merit consideration for a competent oversight function (as set by its mandate):



**Figure 3 – Independent Oversight Competencies**

A competency profile for the various roles within the oversight function should be defined which takes account of both the technical and non-technical aspects of the role. Consideration should be given to developing competency profiles that address the distinct topics set by the mandate. In the event of an individual undertaking one or more of these roles then they could be combined.

Additional roles associated with the management and administration of the oversight function and process will also be required. It may also be necessary to develop further competency profiles for individuals who undertake specialist activities.

There are 3 possible approaches that can be taken to developing specialists within the independent oversight function. The method used should be appropriate to the individual organisation and in line with the level of oversight required by senior management.

- Recruit specialists and train in oversight technique. It should be ensured that the correct behaviours are demonstrated when recruiting, for example the ability to challenge.
- Train existing independent oversight staff in specialist skills. Rather than developing in house training, there may be opportunities to use courses from

accredited commercial providers or non-commercial organisations e.g. the Office for Nuclear Regulation (ONR), the Centre for Protection of National Infrastructure (CPNI), the National Skills Academy for Nuclear (NSAN) and the National Cyber Security Centre (NCSC).

- Engage specialist support from either internal sources or the supply chain. In this instance the oversight team must be the intelligent customer and the specialist support must be demonstrably competent. Individuals providing support must be independent of those people and tasks that they are assessing.

**Principle 3** - The established arrangements ensure individuals, departments or functions that are required to undertake independent assessment have sufficient capability and capacity to discharge their responsibilities.

The minimum qualifications, core competencies and experience required, to enable an individual to be appointed to each of the roles, should be incorporated within the relevant competency profile. All independent assessors should, as a minimum, be competent to undertake an intelligent customer role. This is crucial to ensure the credibility of the oversight team with the function they are providing oversight of.

Ensuring independence from the delivery function is an essential consideration during recruitment. Evaluators must be clear on the importance of this throughout recruitment, reporting and training. To support this, it is important to recruit strong minded individuals who accept the importance of independence and challenge. It is also important that assessors have credibility within the organisation; evaluators should try to maintain independence through recruiting outside the location of independent oversight, accept only qualified and high performing staff and ensure that the assessors meet the gaps within the independent oversight function. Consideration should be given to secondments into the oversight function.

The knowledge, skills, experience and attitude of each individual undertaking independent assessment should be compared to the relevant competency role profile to identify training and development needs (Training Needs Analysis). A programme of training activities and / or monitored independent assessment activities should be generated in consultation with the individual. The aim of the programme should be to reinforce the expected values and behaviours as well as providing the opportunity to gain improved knowledge, skills and experience.

A systematic approach to training should be adopted in line with the organisations approach. Training should be a continuous improvement cycle. Mentoring is considered to be an important part of continuous improvement and training.

The management of the oversight function should provide the opportunity for each individual to implement their training and development programme. Personnel with more experience of independent assessment should be made available to mentor and provide guidance to less experienced individuals. The preparation of training aids and mentor guides should be considered.

Individuals should be subject to a formal assessment of competency and should be appointed to the specific role following completion of relevant training and development activities. Consideration should be given to requiring the periodic re-assessment of competency for all roles involving the independent assessment of performance against the defined mandate.

**Principle 13** - Individuals undertaking independent assessment activities have the necessary experience, training, skills and credibility to conduct the work, to identify performance shortfalls and to recognise good practices.

Consideration should be given to the rotation of roles within the oversight function in order to improve overall capability. For larger organisations oversight personnel should be encouraged to take up operational roles in other parts of the business in order to prevent them becoming “stale”, or perceived as ‘out of touch’.

### **3.6. Values and Behaviours**

The attitude and behaviour of individuals undertaking independent assessments will significantly affect their ability to provide effective independent oversight. Clear standards and expectations addressing the conduct of the oversight function and individuals working within it should be established. Consideration should be given to including this information within an “Oversight Charter”.

The conduct of the oversight function should ensure that

- work plans, priorities and findings are visible and transparent to relevant parties
- reasonable notification is given to responsible management to enable access and time to be provided to support the independent assessment activities
- resources are targeted predominantly at highest hazards and risk areas
- a consistent approach is achieved across the range of its activities
- a proportionate response is made to any issues identified by independent assessment

**Principle 8** - Assessment findings are transparent, evidence based, proportionate and consistent with regulatory requirements, good practice and the standards required by the organisation’s senior management.

Individuals should:

- carry out their work with integrity and objectivity so that the basis of their judgements are clear, evidence based and not influenced by their own bias
- be recognised as having the necessary knowledge and experience to make sound judgements
- respect the value and ownership of information received and be open to constructive challenge on their interpretation of such information
- recognise good performance as well as highlighting areas requiring attention
- accept accountability for their actions, ensuring that the highest personal standards are adopted and aim to deliver the work to agreed programmes
- have curiosity and imagination that enables them to fully explore issues and not accept answers at face value

**Principle 9** - Personnel conducting independent assessments do so with objectivity and integrity to establish a trusting relationship with stakeholders.

The directors and senior management should trust the work undertaken by the oversight function. This trust may be put at risk if the external regulators do not have confidence in the independent assessment’s findings or the effectiveness of the management of the oversight function.

Arrangements for the interactions with external regulators should be established and incorporated within the organisation’s management system. These arrangements

should encourage the confidential exchange of information between the staff of the oversight function and external regulators to build a mutually beneficial relationship. Participation in joint inspections, investigations and assessments should also be considered.

**Principle 10** - The oversight programme and associated assessment findings are made available to external regulators to support the establishment and maintenance of a mutually beneficial relationship.

Consideration should be given to developing and agreeing a protocol between the oversight function and external regulators.

## 4. Development of the Oversight Programme

The “Oversight Programme” is the means by which evidence, information and intelligence is obtained so that an independent view of performance throughout the organisation can be provided.

**Principle 5** – Independent assessments provide the directors and senior management with an independent ongoing perspective of performance at the nuclear site(s) and within the corporate organisation referenced to industry standards.

Information and the steps to be taken to develop the oversight programme are illustrated in Figure 4 and the text which follows.

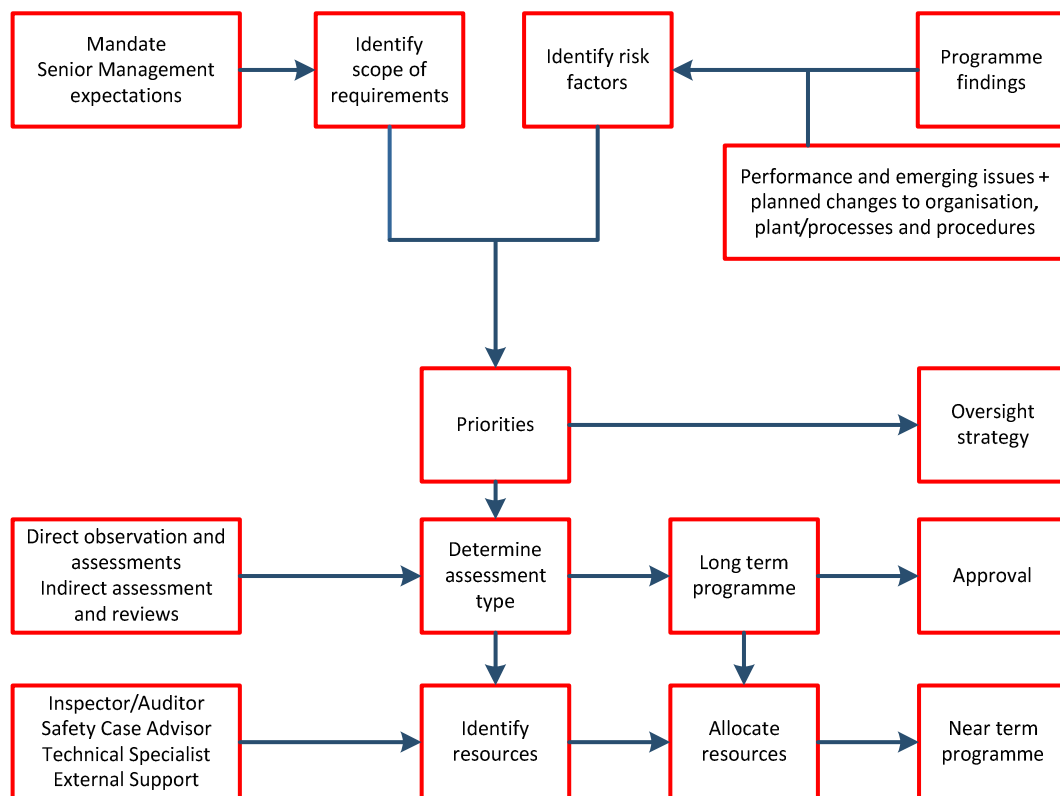


Figure 4 – Oversight programme development

### 4.1. Scope of the Oversight Programme

The scope of the activities included in the oversight programme should be determined by the mandate set by the directors. In developing the oversight programme the need to form a view on the following should be considered:

- The suitability and effectiveness of the organisation and its leadership to ensure that high standards are set, monitored and achieved. This should include organisational change both for individual changes and the cumulative effect.
- The suitability of the management system to ensure that all legal requirements are discharged and the organisation’s processes for discharging, planning, undertaking and reviewing its activities are effective.
- The extent to which risks are being controlled in line with relevant legal requirements, the expectations of senior management and requirements of the organisation’s management system. This may include assessments of performance against nuclear site licence conditions, environmental

authorisation / permit conditions, the NSSP and other standards such as ISO14001.

- The robustness of the arguments required to support the design, construction, installation, commissioning, operation, modification, decommissioning and demolition of any infrastructure, plant or equipment that may significantly affect SSHEQ. It is worth considering the “soft” consequences of changes and projects, where there may be implications for the culture and decision making of an organisation, which will have an impact on SSHEQ performance.
- The robustness of the arguments required to support planned changes to the organisation’s resources and structures where this has the potential to significantly affect the areas defined in the mandate.
- The timeliness and effectiveness of actions taken in response to assessments made by internal and external bodies as well as significant operating experience recommendations.
- The culture prevalent within the organisation, including its leaders and its headquarters staff, as well as at the sites and workplaces.

**Principle 6** - Independent oversight and assessment challenges the processes, decision making and behaviours within the organisation with the aim of:

- confirming that both organisational and regulatory requirements and standards are met
- aiding management by identifying problems and their potential causes, and providing guidance on how these might be addressed
- identifying gaps to good practice and supporting continuous improvement across the organisation
- assisting the organisation to avoid complacency through encouraging a feeling of open ‘chronic unease’

**Principle 14** - The response of operational management to assessment findings is monitored and where necessary progressed until a mutually agreed position is achieved.

The oversight programme should include the assessment of organisational capability, including the roles played by corporate support organisations, to achieve high industry standards.

Where the Quality Assurance Programme is conducted by a separate department the scope of the oversight programme should take cognisance of it.

It is recognised that organisations will need to undertake ‘soft’ projects in order to ensure support functions are managed in line with best practice and modern standards. Soft projects are considered to include:

- Human Resources Projects that affect training records, competence records.
- Business IT Systems affecting access to SQEP records.
- Leadership and management

Due to the subtle nature of these projects their significance against SSHEQ can be easily overlooked. However, changes to IT systems and essential support functions can impact the ability to demonstrate that regulatory requirements are met for areas such as Training, SQEP and Management Systems by modifying or affecting access to documents and records.



Oversight of leadership can be sensitive and there may be risks to raising issues with leadership within the organisation. Using credible peers when reporting on outcomes from leadership assessment activity is crucial to its success. Despite the challenges, oversight of leadership cannot be ignored, leaders define the culture of an organisation and their influence and impact is far reaching.

When reviewing soft projects fundamental considerations should be:

- Effect on the organisations capabilities including:
  - People
  - Processes
  - Systems/tools/infrastructure
- Review of investments – is money being spent on SSHEQ or on plant performance?

**Principle 11** - The organisational structure, processes and activities required to enable independent assessments to be planned, conducted and reported are documented, controlled and monitored in line with the requirements of the organisation's management system.

**Principle 15** - The oversight programme is targeted to provide best value to the organisation and co-ordinated with other parties undertaking inspection, audit and assessment activities.

In some organisations the oversight function is required to supply information to support the making of management decisions (Concurrence). Concurrence activities should be included in the oversight programme

## **4.2. Risk Factors**

The maturity of the organisation and the stability of the management system are factors that need to be considered when developing the oversight programme. Planned or recently implemented changes also have the potential to significantly affect performance at the site and within the organisation in general.

Whilst historically good performance of a particular site, department or function does not guarantee that future performance will be satisfactory, this is a factor which should be taken into account when developing the oversight programme.

Changes in the type of activities being planned or undertaken at the site are factors which should be considered. For example, the hazards and controls required for decommissioning are significantly different than for an operational nuclear facility.

Issues identified from previous assessments or significant incidents (on and off the site) are factors which should influence the topics to be included in the oversight programme.

A change in the organisation's assessment of low probability, high consequence nuclear risk events, such as those identified by the Fukushima incident, is a factor to be considered when developing the oversight programme.

The adequacy of assessments of higher probability, lower consequence and of non-nuclear hazards which nevertheless have the potential to result in harm should be actively considered when developing the oversight programme.

### 4.3. Prioritisation of Assessment Activities

A risk informed approach should be used to prioritise the topics and areas included in the oversight programme. This will vary by organisation but also by inspection, for example an inspection of a waste facility may focus on environmental compliance while an inspection of the site boundary would have a clear security bias. Establishing appropriate prioritisation of work within an oversight programme can be done by a number of methods. One such method is via understanding the risk associated with projects/routine oversight activities. The risk in this context can be considered to fit into different categories which will demand different levels of oversight and can be prioritized as follows:

1. Risk associated with oversight of facilities with potential for high hazards/consequences – This is usually the highest priority and thus there will be a natural bias towards this. Further the consequence/hazard severity should influence the level of oversight even if the risk is low.
2. Risk associated with long term organisational objectives – these will have a high profile with organisation directors and could have a wide scope of work associated.
3. Risk associated with the organisations credibility/reputation.
4. Risk associated with the reputation/credibility of the independent oversight function.

These categories can then be applied to the various activities that are required as part of an overall oversight programme. The figure below presents the considerations that should be included in the oversight programme:

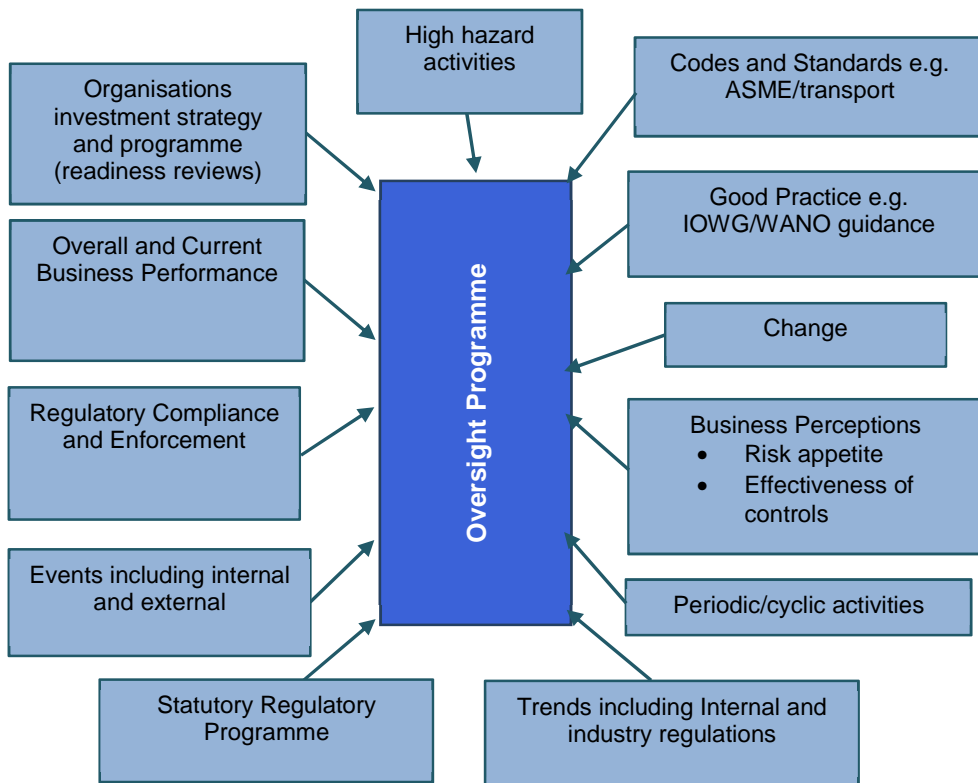


Figure 5 – Considerations for the Oversight Programme

**Principle 11** - The organisational structure, processes and activities required to enable independent assessments to be planned, conducted and reported are documented, controlled and monitored in line with the requirements of the organisation's management system.

Although risk-based oversight is an effective and well-established method across the nuclear industry, there is no hard and fast rule as to how to determine an effective oversight programme. Other methods include making an oversight programme using controls and systems or using soft signals such as experience. Some organisations utilise 'worry beads' or heat maps to pictorially present areas which require a higher level of oversight. If taking a more subjective view, based on experience, the following considerations should be included:

- View of how management are operating,
- Choices made on a facility,
- Experience of the management,
- Perception of 'hidden' priorities of the facility and risk awareness,
- Awareness of context of the facility operations,
- Situational awareness of the facility operators (recognising the absence of normal/presence of abnormal),
- Reaction to the presence of independent oversight,
- External pressures on the facility/management,
- How well the management know the staff and their performance.

Appendix A illustrates a risk informed approach that could be used.

**Principle 8** - Assessment findings are transparent, evidence based, proportionate and consistent with regulatory requirements, good practice and the standards required by the organisation's senior management.

**Principle 9** - Personnel conducting independent assessments do so with objectivity and integrity to establish a trusting relationship with stakeholders.

The oversight programme should include some assessments to confirm compliance with regulatory requirements. The frequency of such assessments should take into account past performance as well as the perceived significance of the condition.

The oversight programme should aim to assess all significant and relevant elements of the management system over its cycle.

**Principle 15** - The oversight programme is targeted to provide best value to the organisation and co-ordinated with other parties undertaking inspection, audit and assessment activities.

Where the organisation is responsible for the management of more than one site then the oversight programme should take account of the potential variations in risks and requirements across these sites and the organisation as a whole. The oversight strategy for the organisation and / or site should be described and documented.

The potential topics together with the sites / plants and / or functions to be assessed should be identified. Provisional assessment objective(s) for each of the planned assessments scheduled for the next period should be drafted. Consideration should be given to grouping the assessment activities under priority themes and topics to aid the clarification of assessment objectives. For example, if the suitability and effectiveness of governance is identified as a priority area then the following

assessment objectives could be adopted:

- Confirm that management system procedures associated with governance achieve requirements of relevant national and international standards.
- Confirm that requirements of the management system associated with operation of governance meetings are being met.
- Confirm that effective challenge and discussion of issues defined in the mandate takes place at governance meetings.
- Confirm that attitudes and behaviours of personnel attending governance meetings are in line with the organisations expectations.

It is recognised that the competencies required to undertake the independent review of SSHEQ documentation are different from those to undertake inspections / audits and the observation of behaviours. Furthermore, in some organisations these activities are undertaken by different groups. However, as resources to undertake the work will be required, the draft oversight programme should identify all potential independent assessment activities.

#### **4.4. Proportionality**

There are many factors that input into the judgement of proportionality in oversight. The following should be considered when deciding upon oversight activities:

- Findings from previous activities and responses to these,
- Consequences (ALARP, EHSQ&S, BAT, business risk, reputation),
- Request from “activity owner” or senior management,
- Recognising the intangible benefit from looking (i.e. owner recognises importance because oversight function come to look),
- Evidence or assessor judgement of weakness in this area e.g. event trends,
- Acting in response / as precursor to regulator action / concern or external review,
- Acting in response to whistle blowing,
- In preparation for a major change in the business or in a project,
- Change in policy or statute,
- Input to permission / hold point / concurrence,
- Routine oversight activities,
- Resource availability (people / time / money),
- Confidence in line management or functional oversight,
- Executive appetite.

In addition to internal factors, significant events external to the organisation should also be considered for their applicability; these could include well published events or identified themes, for example loss of the Nimrod aircraft, Grenfell Tower and Piper Alpha.

**Principle 8** - Assessment findings are transparent, evidence based, proportionate and consistent with regulatory requirements, good practice and the standards required by the organisation’s senior management.

#### **4.5. Determining the Method of Assessment**

The objectives of the independent assessment activities can be achieved by using both direct and indirect methods. Direct methods require personnel within the oversight function to undertake the assessments. Indirect methods require oversight personnel to form a view on performance by reviewing information and data provided

by others. Appendix B provides examples of assessment methods available and indicates the circumstances when they could be considered. It is not exhaustive and other methods not identified may also be used.

It should be recognised that the oversight role involves personnel having routine interactions and meetings with operational personnel. These routine activities provide the opportunity to gain confidence that the requirements of the organisation's processes and expected behaviours are being achieved. Intelligence on issues, concerns and priorities can also be gained which informs the oversight programme. In this document these activities are termed "Routine Surveillance", whilst other activities are referred to as "Planned Assessments".

The nature of the routine surveillance activities will be determined by the hazards, risks and complexity of the organisation / area being assessed. Routine surveillance activities increase the visibility of the oversight role and assist in the development of a trusting relationship with operational personnel as well as judging the adequacy of, and compliance with, arrangements.

**Principle 9 - Personnel conducting independent assessments do so with objectivity and integrity to establish a trusting relationship with stakeholders.**

The most appropriate method to enable the assessment objectives to be achieved should be selected and recorded on the draft oversight programme; more than one method may be used to enable the assessment objectives to be achieved. For example, the objectives of the "suitability and effectiveness of governance" planned assessment highlighted above could be achieved by:

- Review of the management system procedures associated with governance against the relevant requirements.
- Review of the minutes of the governance meetings to confirm that the requirements of management system are being met
- Observation of a number of the governance meetings to assess whether effective challenge and discussion of significant issues takes place
- Observation of a number of governance meetings to assess whether attitudes and behaviours of personnel are consistent with the organisations expectations.

#### **4.6. Identification and Allocation of Resources**

The oversight programme should take account of the suitability and competency of resources available to support it. The resources may need to be supplemented by external support, where the independent assessment team has limited experience or where specialist knowledge is required.

The oversight programme should take account of the resources required to enable routine surveillance activities to be undertaken.

**Principle 3 - The established arrangements ensure individuals, departments or functions that are required to undertake independent assessment have sufficient capability and capacity to discharge their responsibilities.**

For Planned Assessments scheduled for the forthcoming period a lead assessor should be identified. The lead assessor should:

- determine the strategy, scope and assessment methods to achieve the

- identified objectives
- ensure that a suitable resource estimate is made for each of the identified activities
- ensure that appropriate expertise from both inside and outside the organisation is utilised so that collectively the team has the necessary knowledge, skills, experience and credibility to undertake a good quality assessment
- consider whether the participation of other parties, such as SSHEQ representatives and external regulators is appropriate

It is recognised that where safety cases / environmental assessments are subject to independent review then their delivery to a declared schedule is not under the control of the oversight function. However, the principles outlined are applicable and should be adopted where reasonably practicable.

#### **4.7. Long and Near-Term Oversight Programmes**

As assessment activities could address issues at facility, site and organisational level it may be necessary to prepare different programmes. For example, the Organisational Oversight Programme could include all the significant planned assessment activities across all the sites and corporate areas, whilst a Site Oversight Programme would only include the assessment activities affecting the specific site.

A Long-Term Oversight Programme should be prepared to identify the planned assessments and their indicative completion dates. Typically, a reserve of available resources should be maintained to undertake non-planned and reactive work.

The scope and proposed schedule of activities identified as a priority and planned to be undertaken within the next period should be included on the Near-Term Oversight Programme. The proposed planned assessments should be discussed with other parties involved in inspection and audit activities to avoid duplication of effort and to enable the optimum utilisation of resources. Where considered appropriate the assessment activity could be rescheduled, combined with others or deleted from Near-Term Oversight Programme.

**Principle 15** - The oversight programme is targeted to provide best value to the organisation and co-ordinated with other parties undertaking inspection, audit and assessment activities.

The timing of the activities on the Near-Term Oversight Programme should be discussed with the operational management responsible for the areas or topics to be subject to assessment. This is necessary to highlight where operational personnel may need to be made available to support the assessment and to co-ordinate with the programme of work being undertaken by the operational areas.

A tool to schedule and monitor the delivery of the oversight programmes should be developed. The scope and timing of assessment activities should be revised as necessary to address emerging issues, and the relevant programme updated.

#### **4.8. Approval and Review of Oversight Programmes**

Consideration should be given to submitting the draft Long-Term Oversight Programme(s) and the underpinning assessment strategies to the Nuclear Safety Committee (NSC) or similar high-level committee for advice prior to approval.

The Long-Term Oversight Programme(s) should be approved by either the executive board or by the director who has the responsibility for providing an independent view of performance to the executive board.

The oversight programmes should be subject to periodic review and updated accordingly. Significant changes to the Long-Term Oversight Programme(s) should be subject to re-approval.

The Long and Near-Term Oversight Programmes should be provided to key internal stakeholders and where appropriate external regulators. Where possible these should be published on the organisation's intranet and discussed with SSHEQ representatives and external regulators.

**Principle 10** - The oversight programme and associated assessment findings are made available to external regulators to support the establishment and maintenance of a mutually beneficial relationship.

## 5. Undertaking Independent Assessments

Independent assessments provide constructive challenge from the evidence gathered so that a view or conclusion can be made on the area or topic subject of the assessment. Arrangements to enable each assessment activity to be planned, undertaken and reported to a consistent standard should be developed. The information and the steps to be taken that may be necessary to achieve this are illustrated in Figure 6 and the text which follows.

On occasion unannounced assessments will be valuable. It may not be possible to follow all of the guidance in this section in these cases, but the principles remain valid.

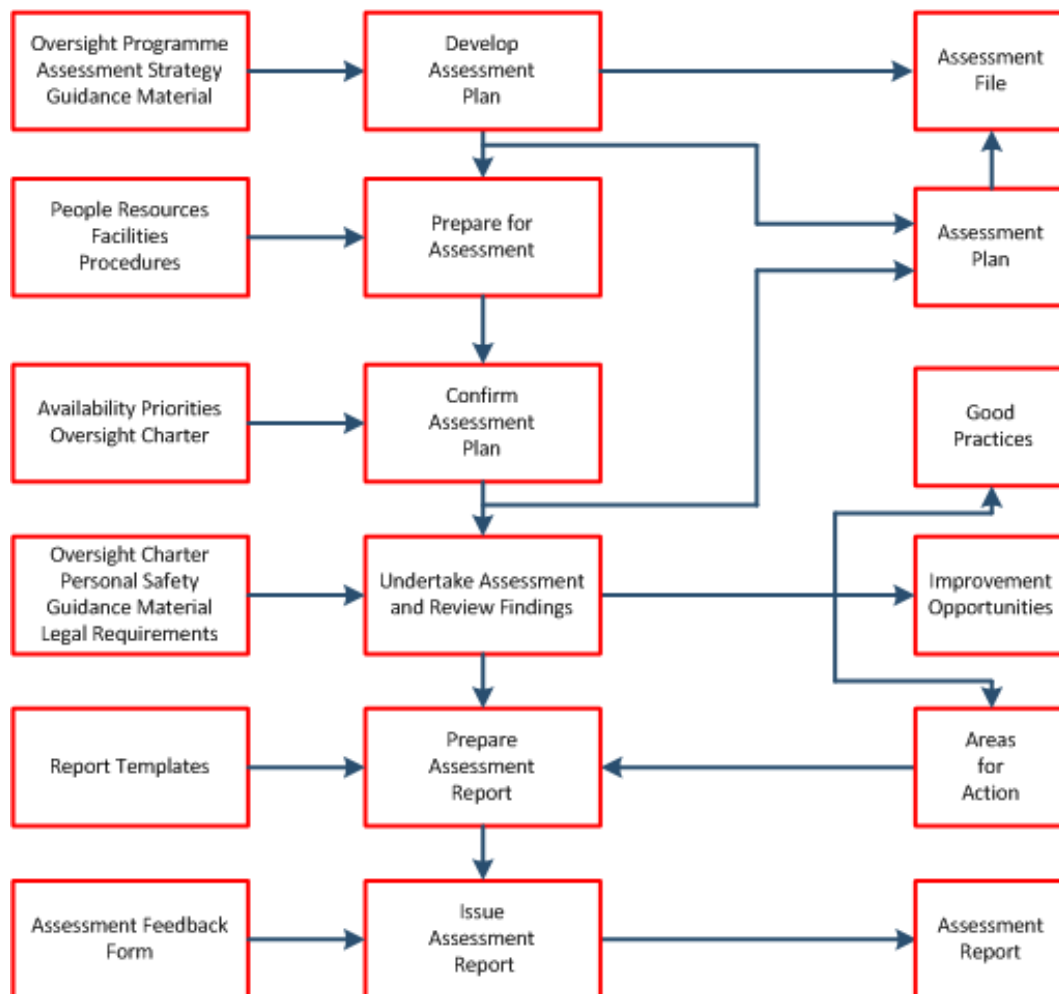


Figure 6 – Guidance for planning and executing an assessment

### 5.1. Develop the Assessment Plan

The overall objective for the assessment activities should be established during the development of the oversight programme. An “Assessment Plan” should be developed for each assessment and an “Assessment File” created.

The draft assessment plan should identify the:

- Oversight programme reference with the outline assessment objectives, aims and boundaries of the assessment.



- method(s) to be employed with an indication as to whether any unannounced activities are planned.
- criteria against which judgements will be made.
- indicative scope and timetable for the assessment.
- resource requirements, including where necessary key competency requirements.
- proposed output of the assessment.

**Principle 6** - Independent oversight and assessment challenges the processes, decision making and behaviours within the organisation with the aim of:

- confirming that both organisational and regulatory requirements and standards are met
- aiding management by identifying problems and their potential causes, and providing guidance on how these might be addressed
- identifying gaps to good practice and supporting continuous improvement across the organisation
- assisting the organisation to avoid complacency through encouraging a feeling of open 'chronic unease'

Assessment plans should reflect the significance and complexity of the assessment activity and take particular account of activities with the highest hazards and known risk areas. The assessment plan will enable a consistent approach to be achieved and support a proportionate response is made to any matters identified by the assessment.

The assessment file should include the key information used and created during the assessment activity and will be used as a reference source for future assessments. Administrative arrangements for the management of assessment files should be made.

Consideration should be given to preparing a standard assessment plan for the routine surveillance activity. This will aid resource planning and support a consistent approach. This plan should identify the types of documents expected to be reviewed, the scheduled meetings to be attended and the frequency of workplace visits.

The method of assessment and criteria against which the performance will be assessed should be visible to all regardless of the type of assessment. For planned assessments the development of "question sets" should be included in the plan as these promote consistency of approach. Any question sets used should be regularly reviewed to ensure that arrangements are not progressively being adapted in response to the known questions, leaving vulnerabilities in other areas not subject to questions.

The assessment plan should ensure that the activity is supported by both operational and oversight management and should be provided to them for comment.

Oversight management needs to ensure that individuals undertaking the assessments have the necessary knowledge, experience, skills and attitudes to enable the assessment to be undertaken. Where more than one person is involved, a lead assessor should be appointed for the development and delivery of the assessment plan. The lead assessor should ensure that collectively the necessary skills, competency and knowledge to undertake the work is available within the team. Each individual should understand the scope of the work expected of them, be aware of the roles of others and make provision within their work plan for the assessment

activity.

**Principle 13** - Individuals undertaking independent assessment activities have the necessary experience, training, skills and credibility to conduct the work, to identify performance shortfalls and to recognise good practices.

Operational management need to provide documentation and information and ensure that relevant personnel are available to support the assessment. They also need to recognise that they may be required to take action and commit resources as a result of the assessment activity.

## **5.2. Prepare for the Assessment**

Whilst the type and complexity of the assessment will determine what preparatory work is required, it should be recognised that prior work is essential for a successful assessment. Typical work required to prepare for routine surveillance and some types of planned assessment is summarised below.

Prior to undertaking an assessment relevant requirements of national and international standards and guidance (see Appendix F) should be reviewed along with the organisation's management system documentation.

### **5.2.1. Routine Surveillance**

Individuals attending routine operational management meetings should understand the terms of reference of the meetings and ensure that they are familiar with previous business and issues. Information which could aid the resolution of issues or support constructive discussion at the meetings should be sought out.

Individuals reviewing operational logs and management reports should ensure that they understand why the documents are made and records retained. Sufficient time should be allocated to reviewing records for periods when the individual has been absent.

Prior to entering operational workplaces individuals should ensure that they are fully conversant with the local applicable health, safety, environmental and security requirements. They should ensure that they receive a workplace briefing on any factors that may present risks to their health and safety and ensure that the required controls, such as routes to follow and Personal Protective Equipment (PPE) to wear, are implemented.

### **5.2.2. Planned Assessment - Audits and Inspections**

"Question sets" or "prompt sheets" should be developed that take account of the findings of this review and any previously developed guidance material. Unless judged to be detrimental to the assessment objectives this information should be provided to the operational personnel in advance of the audit / inspection.

Operational documentation, such as safety cases and plant logs, as well as non-conformance reports and the findings from earlier assessments should be reviewed.

A schedule of issues or questions requiring a response from operational management should be prepared as a result of these reviews. Again, unless judged to be detrimental to the assessment objectives, this information should be provided to

the operational personnel in advance of the site-based activity.

Where other assessors are involved, meetings to brief them on the assessment objectives and to obtain their input into the question set / prompt sheets will be necessary. These meetings should also confirm the administrative arrangements to ensure the integrity of the assessment file. It may also be necessary to provide familiarisation training, additional PPE and security clearances to access the areas being assessed.

Where work is being undertaken outside the usual office environment it may be necessary to obtain additional IT equipment and other resources to support the assessment. Travel and hotel accommodation may also need to be arranged.

It will be necessary to discuss the timing and schedule of the planned activities with operational management to ensure that the assessment is supported. The arrangements for reporting the assessment findings should be clarified and the timescale for issue of the draft report agreed. For assessments lasting more than one day arrangements to feedback significant findings at the end of each day should be considered.

Arrangements for recording and reporting interim findings will need to be established if the assessment activity forms part of a wider assessment.

#### 5.2.3. Planned Assessment - Review of SSHEQ Documentation

The lead assessor should ensure that the management system requirements for the preparation of the relevant document are understood by all personnel expected to be involved in the planned assessment.

Meetings with others involved in the assessment should be arranged to confirm the scope and timing of the work as well as the administrative arrangements for the assessment file. It may also be necessary to arrange for them to receive a familiarisation tour of the area covered by the document and to receive the necessary security clearances.

Meetings with the “owner” of the document being reviewed will be necessary to discuss the timing and schedule of the review and to establish arrangements for the supply of reference materials. Arrangements for progressing findings resulting from the review will also need to be developed.

#### 5.2.4. Planned Assessment – Request for Concurrence

The lead assessor should ensure that the concurrence process and purpose of the assessment is understood by both the personnel expected to be involved in the work and the manager requiring concurrence.

Concurrence activities could include:

- Assessments to support the continued operation of a facility,
- The clearance of “hold points” associated with major organisational changes,
- Infrastructure / plant modifications and plant outages,
- “Readiness reviews” requested by senior management.

Concurrence assessments could include audit / inspection type activities and the

review of SSHEQ documentation so similar preparatory work will be required.

The target date for issue of the concurrence assessment report should be agreed with the manager requesting it.

#### 5.2.5. Planned Assessment – Review of SSHEQ Performance Data

Individuals should take account of “A Good Practice Guide on the Safety Performance Indicators” issued by the SDF when planning the review of performance data, but should not be limited to this if alternatives are more appropriate.

### 5.3. Confirm Assessment Plan

The draft assessment plan should be provided to oversight management to confirm that the proposed assessment methodology and criteria are acceptable.

The draft assessment plan, and where relevant the schedule of issues / questions identified by the preparatory work, should be discussed with the operational management. The scope of work should be amended to reflect information provided by operational management so that the optimum use of both oversight and operational resources is made. Where possible, the timing and schedule of assessment activities should be adjusted to minimise the disruption to operational priorities.

Where an assessment activity is part of a wider assessment, discussion with both operational and oversight management should take place to agree the arrangements for recording and reporting interim findings.

For the review of safety case / environmental assessments and activities requiring concurrence, the dates for issue of the assessment report and governance meeting(s) at which these will be considered should be agreed.

Following the above discussions, the assessment plan should be updated to confirm the agreed scope and schedule of work. Any proposed change in the scope or timing should be agreed and the assessment plan subject to change control.

### 5.4. Undertake Assessment & Review Findings

#### 5.4.1. General Approach

Guidance to enable the assessment activities to be undertaken to a consistent standard should be developed. Information relevant and applicable to all assessments is provided below. Appendix D provides specific information to be considered for routine surveillance and planned assessments.

The assessment plan should be followed unless significant issues are identified that requires the work to be modified, halted, suspended or abandoned.

The purpose and the basis on which judgement will be made should be explained to all operational personnel involved in the assessment. Their actions and response should be taken into account and tested prior to making any conclusion.

The assessment should highlight areas of good performance as well as areas where improvements are required. In the event of a significant issue being identified then

this should be brought to the attention of operational management as soon as possible.

It should also be recognised that a poorly conducted assessment with no positive findings is unlikely to influence anyone and will damage the reputation of the oversight function. Furthermore, the attitude and behaviour of oversight personnel will influence the assessment outcomes. Oversight personnel should adopt the highest SSHEQ standards, be open to constructive challenge and communicate effectively with all parties involved in the assessment.

**Principle 9 - Personnel conducting independent assessments do so with objectivity and integrity to establish a trusting relationship with stakeholders.**

#### 5.4.2. Findings

Findings should be reviewed to identify where performance has been found that does not meet the required expectation. The relative importance of such findings should be considered against the assessment criteria together with legal and organisational requirements. Assessment findings should be categorised in accordance with their significance. Table 1 illustrates a possible approach.

Category	Title	Description
1	Issue or Reservation	Findings from audit/inspection assessment activities that require corrective action to be taken to address a significant risk or non-conformance.  Findings from the review of SSHEQ documents and concurrence activities that must be resolved before a satisfactory assessment conclusion can be made.
2	Observation	Findings from assessment activities where a reduction in performance has been observed or identification of areas where performance could be improved.  Findings from the review of SSHEQ documents and concurrence activities that do not challenge mandatory requirements or criteria but should be addressed to support the overall argument.
3	Comment	Findings with a minor effect or where improvement opportunities have been identified where performance is acceptable but could be further enhanced.  For concurrence and review of SSHEQ documents these could be typographical errors that potentially undermine the quality of the argument.

Consideration should be given to highlighting significant issues and reservations where only limited evidence to support such findings has been obtained. This approach provides operational management with the opportunity to take action prior to further assessment work being undertaken. However, the assessor should ensure that the level of confidence in such findings is made clear.

Findings should be reviewed to identify good practice that merits consideration or adoption across other parts of the organisation. Operational management should be informed where this has been found to facilitate sharing of good practice.

**Principle 8** - Assessment findings are transparent, evidence based, proportionate and consistent with regulatory requirements, good practice and the standards required by the organisation's senior management.

#### 5.4.3. Performance Ratings

Findings should be reviewed against the assessment criteria to determine whether there is sufficient evidence to make a conclusion on acceptability and/or performance. The assessment plan should be revised and further work undertaken if this is not the case or the activity could be suspended following discussion with oversight management.

The overall conclusion of each assessment should be rated so that performance across different processes and areas can be recorded and trends monitored. Consideration should be given to rating performance against:

- the suitability of the organisations processes and associated management system documentation.
- compliance with the requirements of the management system and the effectiveness of implementation.
- the quality of leadership and culture observed within the area subject to assessment.

Consideration should be given to establishing a scoring system to enable good or satisfactory performance to be differentiated from areas where performance is poor or unsatisfactory, see Section 7.2.

It may also be helpful to provide a scoring framework that allows an indication of the potential consequence of the findings, as significant deviation does not necessarily result in a major risk, indeed in some cases only very minor deviation can have major potential consequence.

**Principle 11** - The organisational structure, processes and activities required to enable independent assessments to be planned, conducted and reported are documented, controlled and monitored in line with the requirements of the organisation's management system.

### 5.5. Prepare Assessment Report

The scope, content, format and distribution of assessment reports to be used within the organisation should be defined. Information applicable to all report types is provided below and Appendix E includes specific information relevant to reports of surveillance and planned assessments.

Reports should be prepared on the basis that they may be read by anyone and that the author or organisation may be asked to justify its contents. The tone of report should be dispassionate, demonstrably unbiased and avoid the use of emotive language. The use of acronyms and technical jargon should be minimised.

Where practicable, reports should not make reference to commercially sensitive information. Where necessary reports should refer to the organisational role or

position rather than individuals' names.

Consideration of commercial and security impacts should be made and the report allocated the appropriate protective marking in accordance with national security and corporate requirements.

Reports should include a statement of the assessment objectives and the contents of the report should be focused on them. Where opinion is included, this should be clearly identified and arguments used to support this opinion should be provided. The basis for arriving at any conclusions and recommendations should be clearly articulated.

Reports should summarise any significant issues identified during the course of the work, along with how these were addressed.

**Principle 8** - Assessment findings are transparent, evidence based, proportionate and consistent with regulatory requirements, good practice and the standards required by the organisation's senior management.

**Principle 11** - The organisational structure, processes and activities required to enable independent assessments to be planned, conducted and reported are documented, controlled and monitored in line with the requirements of the organisation's management system.

## **5.6. Issue Assessment Report**

All assessment reports should be subject to review and approval prior to their issue. The oversight function's procedures should:

- require assessment findings, conclusions and recommendations to be subject to an internal challenge process to ensure that they are sound and justified following internal review.
- require draft reports to be reviewed to confirm that the objectives of the assessment plan have been achieved, typographical and factual errors have been eliminated and to ensure that the findings are consistent and robust.
- record occasions where the internal review processes have required substantial reworking of the draft assessment report and / or significant amendment to its conclusions.
- ensure that operational management are provided with the opportunity to comment on the draft report and require that discussions are held to resolve any areas of disagreement.
- ensure that operational management are provided with sufficient information to enable them to understand the significance of findings and the action(s) necessary to address them.
- include a request to operational management to provide feedback on the conduct and perceived value of the assessment activity (Assessment Feedback Form).

**Principle 9** - Personnel conducting independent assessments do so with objectivity and integrity to establish a trusting relationship with stakeholders.

The arrangements for the distribution and retention of the approved assessment reports and returned assessment feedback forms should be formalised.

**Principle 11** - The organisational structure, processes and activities required to enable independent assessments to be planned, conducted and reported are documented, controlled and monitored in line with the requirements of the organisation's management system.

Assessment findings, associated actions and responses and any good practices should be recorded. If the organisation has an IT tool for the management of actions and / or good practices then this should be used.

Follow up work to monitor the implementation and close out of actions, and whether the actions have delivered the required improvement should be included in the oversight programme.

**Principle 14** - The response of operational management to assessment findings is monitored and where necessary progressed until a mutually agreed position is achieved



## 6. Analysis of Assessment Findings

Arrangements for the regular and systematic analysis of findings from the oversight programme should be established. Information and the steps which may be necessary to achieve this are illustrated in Figure 7 and the text that follows.

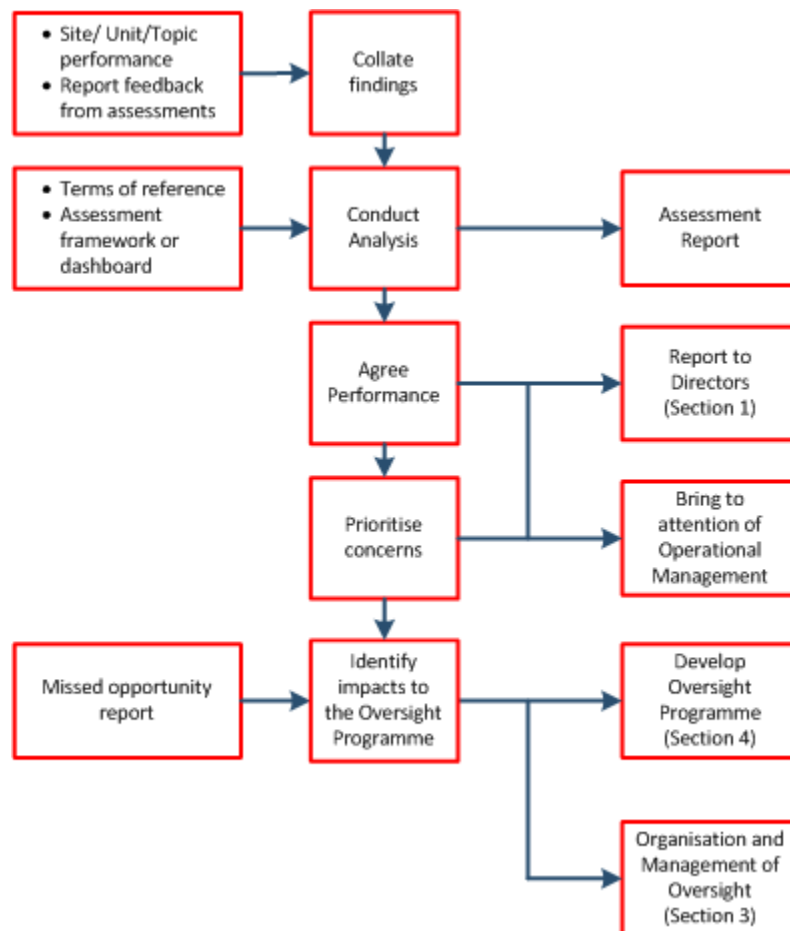


Figure 7 – Analysis and reporting of findings

The frequency at which the analysis takes place should reflect the complexity of the organisation, the scope of the oversight programme and the frequency at which directors require an oversight report. However, it is considered that this should occur at least every three months to enable adverse trends to be identified and monitored and corrective action taken in good time.

**Principle 5** – Independent assessments provide the directors and senior management with an independent ongoing perspective of performance at the nuclear site(s) and within the corporate organisation referenced to industry standards.

The roles and functions required to participate in the analysis should be identified and terms of reference of the analysis event established. Generally, the manager of the oversight function should chair the event and ensure that all units, functions and departments contributing to the oversight programme are represented.

A process to enable the analysis to be consistently performed and benchmarked should be established. It is recommended that an “assessment framework” or “performance dashboard” is developed that incorporates the key corporate

processes, risk controls and essential legal requirements. Consideration should be given to carrying out analysis against compliance with the requirements of key legislation as well as key elements of culture e.g. International Nuclear Safety Advisory Group, (INSAG 15).

The information required to be provided as an input to the analysis process should be specified. Consideration should be given to developing a report template for a written contribution (Performance Report), and requiring each of the units, functions and departments involved in the oversight programme to provide one. Information to be considered could include:

- the key findings from assessment activities completed in the period,
- performance ratings (where relevant) from completed independent assessments,
- details of significant incidents,
- significant findings from regulatory assessments,
- relevant performance data, such as SPI and action close out status.

The roles played by the various operational and corporate functions should be included in the analysis.

**Principle 6** - Independent oversight and assessment challenges the processes, decision making and behaviours within the organisation with the aim of:

- confirming that both organisational and regulatory requirements and standards are met
- aiding management by identifying problems and their potential causes, and providing guidance on how these might be addressed
- identifying gaps to good practice and supporting continuous improvement across the organisation
- assisting the organisation to avoid complacency through encouraging a feeling of open 'chronic unease'

## **6.1. Collate Findings**

A performance report should be prepared by the person responsible for the oversight of respective sites, units or topics. The distribution of these reports and the timescales set for their issue should be defined.

Where relevant, information from assessment activities undertaken by third parties such as regulators and certification bodies should be collated and available for discussion at the analysis event.

Key SSHEQ related information included in operational management performance reports (e.g. SPI and incident data), should be collated and available for discussion at the analysis event.

## **6.2. Conduct Analysis**

Protocols should be established to enable the analysis event to be efficiently conducted and provide the opportunity for each representative to make their contribution.

The purpose of the event and protocols to be followed should be understood by all participants and the outcomes recorded.

The analysis event should lead to the identification of:

- areas of concern or issues that may require the attention of senior management.
- areas of good performance and practices across the organisation.
- information that may affect the conduct and implementation of the independent assessment activities.

The analysis should identify any significant issues resulting from incident investigation or the findings of third parties, such as regulators and certification bodies which were not identified by the oversight programme.

**Principle 8** - Assessment findings are transparent, evidence based, proportionate and consistent with regulatory requirements, good practice and the standards required by the organisation’s senior management.

### 6.3. Agree Performance

A collective view of performance across the site(s) and organisation should be agreed following discussion of the performance reports and the analysis of relevant assessments / findings. This should take account of the relevant organisational SPIs and enable trends in performance to be identified.

It is recommended that performance and trends are recorded against the respective elements of an “assessment framework” or “performance dashboard” and “culture” metrics. Tables similar to 2 and 3 below could be used to visualise and represent the assessment findings.

#### Processes & Implementation

(Based upon simplified assurance model used by URENCO UK Ltd)

	Core Activities					Support & Management Processes				
	Operations	Asset Management	Waste Management	Emergency Response	Safety Case	Governance	Organisation Capability	Management System & Communications	Assurance	Stakeholder Engagement
Site A	↑	←	←	↑	←	←	↑	←	↑	←
Site B	↑	←	↓	←	←	←	←	←	↓	←

**Leadership and Culture**  
(Based upon INSAG 15 topics)

Table 3										
	Individual			Leaders			Management System			
	Accountability	Questioning Attitude	Communications	Values and Actions	Decision Making	Respect	Continuous learning	Problem Resolution	Environment for concerns	Work processes
Site A	←	←	←	↑	↑	←	←	←	←	←
Site B	←	←	↓	↓	←	←	←	←	←	←
Code	Good			Satisfactory		Improvement Needed		Unsatisfactory		

In this example the assessments for site A have concluded that performance met the required standards for almost every topic / theme assessed and no adverse culture indicators have been identified. The assessments have recognised that improvements in performance have been achieved and these have been attributed to the effective leadership and action of the site management team.

The assessments for site B have concluded that performance across most topics / themes requires improvement, the recent emergency exercise has been judged unsatisfactory and adverse indicators of culture have been identified. The assessments have noted that whilst a number of improvement projects have been established these have not been effective in raising performance.

**6.4. Prioritise Concerns**

Common areas of concern or significant issues requiring attention should be identified by analysis. These should include the potential for the regulatory enforcement action or the failure to gain regulatory permission. The significance of these should be discussed and agreement achieved on those which should be brought to the attention of directors and senior management. Operational managers should be informed of any such issues or concerns relevant to their area of accountability.

**Principle 9** - Personnel conducting independent assessments do so with objectivity and integrity to establish a trusting relationship with stakeholders.

**6.5. Identify Impacts to Oversight Programme**

The analysis event may reveal information which could impact upon planned or future assessment activities. Such information should be brought to the attention of relevant individuals, functions or departments and considered at the next review of the oversight programme.

The findings of third-party assessments, such as regulators and certification bodies, should be discussed. In the event of a third-party assessment conclusion being significantly different than that obtained by oversight programme then an

investigation should be initiated.

The analysis may identify issues resulting from incident investigation or the findings of third parties, such as regulators and certification bodies, which were not identified by the oversight programme. These “missed opportunity events” should be recorded and considered during the monitoring and review of the oversight function activities (see Monitoring & Reviewing Performance section).

**Principle 9** - Personnel conducting independent assessments do so with objectivity and integrity to establish a trusting relationship with stakeholders.

**Principle 11** - The organisational structure, processes and activities required to enable independent assessments to be planned, conducted and reported are documented, controlled and monitored in line with the requirements of the organisation’s management system.

## 7. Reports to Directors and Senior Management

Arrangements to provide directors and senior management with reports of the oversight programme should be established. The performance assessment data generated by the analysis event (see Section 6) could be the input of the routine report to the directors. However, the directors should identify the type, scope and frequency of the reports they require.

**Principle 1** - Directors and senior management establish and value arrangements to enable the independent assessment of performance (oversight) throughout the organisation to be undertaken and periodically review findings reported to them.

### 7.1. Methods of Reporting

The person(s) identified as responsible for providing information to directors and senior management should submit routine reports to them. These reports could include:

- commentary on the status of, and key findings from, the oversight programme.
- a summary of significant independent assessment activities, including requests for regulatory permissions and, where appropriate, the findings of concurrence assessments.
- comment on issues or challenges associated with reaching a concurrence on ongoing assessments.
- providing confirmation that the regulatory requirements and standards are being achieved and commenting upon the suitability of actions being taken should this not be the case.
- the highlighting of significant concerns or issues that require their attention, in particular where it is judged that regulatory enforcement action may be initiated or an application for regulatory permission not be granted.
- the reporting system should link to the tracking of findings and actions through to closure; it is not enough to simply report on non-compliance to the business.

**Principle 5** – Independent assessments provide the directors and senior management with an independent ongoing perspective of performance at the nuclear site(s) and within the corporate organisation referenced to industry standards.

**Principle 6** - Independent oversight and assessment challenges the processes, decision making and behaviours within the organisation with the aim of:

- confirming that both organisational and regulatory requirements and standards are met
- aiding management by identifying problems and their potential causes, and providing guidance on how these might be addressed
- identifying gaps to good practice and supporting continuous improvement across the organisation
- assisting the organisation to avoid complacency through encouraging a feeling of open 'chronic unease'

The role of an independent oversight function should be to support an organisation in the identification of issues, fixing these and improving through self-regulation. The directors and senior management should be informed of significant findings from third parties, such as regulators or certification bodies, which question the suitability,

capability or effectiveness of the independent assessment arrangements. A mature organisation is expected to share its findings and improvements in an open and transparent manner. A successful independent oversight function is able to draw attention to unidentified issues ahead of time, thereby adding value to the organisation.

The directors and senior management should be requested to feed back their views on the quality and value of the independent assessment reports.

**Principle 15** - The oversight programme is targeted to provide best value to the organisation and co-ordinated with other parties undertaking inspection, audit and assessment activities.

**Principle 12** - The effectiveness of the oversight organisation and its arrangements for resourcing, planning, conducting and reporting independent assessments is periodically subject to independent assessment and results are reported to directors and senior management.

## 7.2. Scoring and Grading

An effective method of reporting to directors and senior management includes the use of scoring and grading. The scoring and grading system should reflect the expectations of senior management, who may choose to align with regulatory grading or adopt a bespoke system for their organisation.

- Adopting a method that aligns with regulatory reporting allows the organisation to quickly and clearly understand the areas in which they are compliant and the areas where work is needed.
- Adopting a bespoke system can enable the measurement of gaps to excellence as well as giving early warning of deteriorating performance.
- Whichever option is taken the organisation must be clear and consistent in the basis for, and application of its scoring and grading method.

**Principle 1** - Directors and senior management establish and value arrangements to enable the independent assessment of performance (oversight) throughout the organisation to be undertaken and periodically review findings reported to them.

The key to a successful scoring system is that it is simple, clear, commonly understood and unambiguous. It should also be applicable to a range of activities allowing it to be used across the business. The purpose of a grading system is to give intelligence around the risk of non-compliances. It should give early warning signs before the actual consequences can be felt.

The detail of the scoring system is up to the individual business, but when producing one consideration should be given to:

- Target audience,
- Appetite of leadership,
- Detail required,
- Evidence required,
- Links with action closure.

The scoring system should be used to report up to senior leadership on the level of compliance. How this is communicated will depend on whether senior leadership is interested in purely compliance with the regulation, or in demonstrating excellence.

Industry should expect its own oversight functions to be more demanding than the regulator, giving intelligence on the SSHEQ health of a business as well as compliance. For this reason, the oversight functions may require more granularity in their reporting than the regulator. It should be considered whether the business will require that it must be purely evidence based or if it can be more subjective.

**Principle 14** - The response of operational management to assessment findings is monitored and where necessary progressed until a mutually agreed position is achieved.

In whatever format it takes, the key to a good scoring system is that it is clear and fit for purpose.



## 8. Monitoring and Review of Performance

Arrangements to enable the performance of the oversight function and effectiveness of the independent assessment activities to be monitored and reviewed should be established. Information to be considered when developing these arrangements is presented below.

### 8.1. Feedback

It should be recognised that to be effective, information provided by the independent assessment activities should be trusted and valued by directors and senior management. Their views should therefore be sought, findings reviewed and action taken to respond to adverse comments.

The feedback from operational personnel subject to independent assessments should be collated, findings reviewed and action taken to respond to adverse comments.

**Principle 5** – Independent assessments provide the directors and senior management with an independent ongoing perspective of performance at the nuclear site(s) and within the corporate organisation referenced to industry standards.

### 8.2. Performance of the Oversight Function

The performance of the oversight function should be monitored (potential measures are shown in Table 4). Individuals, functions and departments undertaking independent assessments should contribute information for their area of accountability. The requirement to submit a report summarising progress within their area of responsibility should be considered.

A management review for the effectiveness of the independent assessment process and its organisation should be undertaken in line with the organisation's quality assurance arrangements. The review should take account of the fundamental requirement that independent assessments should challenge the processes, decision making and behaviours within the organisation and also consider the quality of the information provided to directors and senior management.

The implications of "missed opportunity events" and any criticism of any assessment activity or adverse comments on the performance of individuals should be considered by oversight function management. Actions to prevent a recurrence should be taken and progress monitored.

The frequency of the monitoring activities should reflect the complexity of the organisation and the scope of the oversight programme.

**Principle 2** - Responsibilities, accountabilities and authorities for those providing independent assessments are clearly identified, understood and implemented.

### 8.3. Independent Assessment process

Quantitative and qualitative measures should be established to address the quality of outputs as well as the effectiveness of the independent assessment processes. Table 4 provides a number of performance indicators and measures which could be used.

**Principle 11** - The organisational structure, processes and activities required to enable independent assessments to be planned, conducted and reported are documented, controlled and monitored in line with the requirements of the organisation's management system.

The independent assessment process and practices should be subject to periodic assessment by groups or organisations that are independent from the organisation's oversight function. This assessment could be undertaken by the group responsible for the assessment of quality assurance if this is not included within the remit of the oversight function. These assessments could also be performed by certification bodies, peer groups or parent organisations if applicable.

Table 4		
Area	Measure	Comment
Organisation	% of oversight function baseline roles filled	Indicative of organisation capability to manage and implement the independent assessment process
	% of oversight function personnel assess as competent	Indicative of organisation capability to manage and implement the independent assessment process
Oversight Programme	Long Term Oversight Programme approved	Provides confirmation that directors and senior management support the planned independent assessment activities
	% achievement of planned assessment over rolling 1 year period	Indicates the effectiveness of the planning process and the availability of assessment resources
	% of time "out of office"	An indicator of the visibility of those assessors undertaking routine surveillance activities
	No. of requests for independent assessments	An indicator of the perceived value of the independent oversight activities. However, must not be routinely used as a substitute for functional management of oversight activities
Assessment Activities	No. of draft assessment reports requiring rework	This should be close to zero if assessors are competent and the internal checking process is effective
	No. of assessment findings "rejected" by operational management	This should be close to zero if assessors are competent and the internal checking process is effective
	% of assessment reports issued within timescale	Indicative of process compliance and resource availability
	No. of Assessment Feedback Reports returned	Indicator of relationship with internal stakeholders
	No. of Assessment Feedback Forms with "less than satisfactory" comments	Indicator of the competency and behaviour of the assessor and perceived value of assessment activity
Monitoring and Review	No. of Missed Opportunity Reports	This should be close to zero if scope of the oversight programme is sound and the assessment activities are effective
	No. of findings where escalation has been necessary to address outstanding issues / late close out.	This should be close to zero if the assessment findings are sound and the arrangements for encouraging operational management to make improvements are effective

	No. of significant findings from assessment of oversight function or oversight process	If a significant finding was found then this would indicate that the independent assessment processes are not effective
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#### **8.4. Benchmarking**

Benchmarking of the independent assessment processes and practices should be included within the oversight programme. These activities could be co-ordinated through the SDF or via organisations relevant to the nuclear industry sector such as WANO, Low Level Waste Repository Peer Review and SEPR group.

#### **8.5. Peer assist**

In order to gain a view of the oversight functions performance against organisational peers, a peer assist visit may be requested from the IOWG. Guidance on conducting a peer assist is available at Appendix C.

## Summary of Key Points

The level of assurance offered by an independent oversight function will be of most value to an organisation when that organisation is clear about its scope and purpose and provides support from the most senior levels of the organisation. To deliver objective, effective, independent oversight of an organisation's SSHEQ performance an independent oversight function needs:

- A clear mandate from the Board or Executive;
- Independence from the delivery elements of the organisation;
- Competent people who are encouraged to "...Sit down before fact with an open mind."<sup>[1]</sup> with independence of thought;
- An independent oversight programme that addresses the key risks and hazards and covers all of the SSHEQ aspects that are included in the mandate;
- An oversight function that reports its findings to top management confident that they will be acted upon; and
- An oversight function that monitors and reports its own performance and is open to challenge itself.

[1] Hyman G. Rickover, US Naval Postgraduate School Address, 1954

## 9. Appendices

Eight appendices provide more detail and examples to support the main text within the GPG. These are as follows:

Table 5	
A	Example of a Risk Based Approach to Prioritise Oversight Activities
B	Guidance for the Selection of Assessment Methods
C	Guidance for Peer Assists
D	Guidance for Planning of Routine Surveillance and Planned Assessment
E	Guidance for Reporting of Routine Surveillance and Planned Assessment
F	Related References
G	Checklist of Key Requirements

### ***Appendix A – Example of a Risk Based Approach to Prioritise Oversight Activities***

Tables 6 and 7 below illustrate how a risk based approach could be used to determine the independent assessment priorities for two different organisations.

Table 6 is the risk assessment for an organisation with stable organisation and mature safety management system. However, previous assessments have indicated that the culture is weak across the organisation, particularly at sites A and C. Furthermore, sites A and C have previously been assessed as having poor performance and higher than average number of incidents. An organisation wide improvement programme has been initiated aimed at addressing these weaknesses.

Table 6							
	Governance and Leadership	Capability of Organisation	Management Systems	Safety Controls	Culture	Safety Cases	Improvement Projects/ Actions
Organisation	2	3	3	N/A	2	N/A	1
Site A	1	3	N/A	1	1	2	1
Site B	3	3	N/A	2	2	2	1
Site C	1	3	N/A	1	1	2	1
Priority:	1 = essential/ high risk		2 = important/ medium risk		3 = desirable/ low risk		

In this case the oversight programme activities could give priority to undertaking assessments that would give information on:

- The suitability and effectiveness of the governance and leadership with more attention being given to sites A and C.
- The control of risks at all sites, but with greater emphasis at sites A and C.
- The culture prevalent within the organisation, but sites A and C having the higher priority.
- The management and implementation of the SSHEQ Improvement Programme across of the organisation.

Assessment activities directed at providing information on the organisation's capability and management system would not be given priority in the first year of this oversight programme.

Table 7 is the risk assessment for an organisation which has recently been subject to a change in the organisational governance of a Parent Body Organisation (PBO), but no significant changes to its structure have been made. It has previously had strong performance at all three sites and is recognised as having positive culture. Site A is scheduled to cease operations within the next 12 months and number of major plant modifications are planned for site B.

Table 7							
	Governance and Leadership	Capability of Organisation	Management Systems	Safety Controls	Culture	Safety Cases	Improvement Projects/ Actions
Organisation	1	3	2	N/A	1	N/A	2
Site A	1	2	N/A	2	1	1	2
Site B	1	2	N/A	2	2	1	1
Site C	2	3	N/A	2	2	3	3
Priority:	1 = essential/ high risk		2 = important/ medium risk		3 = desirable/ low risk		

In this case the oversight programme activities could give priority to undertaking assessments which would give information on:

- The suitability and effectiveness the governance and leadership across the company following the change in PBO.
- The impact of the change in PBO on the culture prevalent within the organisation.
- The impact of the pending cessation of operations on the culture prevalent at site A.
- The management and implementation of the major modifications to the plant at site B.
- The control of risks at all sites.

Subject to the performance not deteriorating, assessment activities at site C would not be given a high priority in the first year of this oversight programme.

Adoption of this approach should enable the oversight strategy for the organisation and / or site to be described and documented.

## **Appendix B – Guidance for the Selection of Assessment Methods**

There are various methods available to enable independent assessments to be undertaken. These are grouped under two headings in Table 8.

- Direct Assessment – where the assessment involves discussion with individuals, observation of activities and the review of documentation by the individual(s) making the assessment; and,
- Indirect Assessment – where the information, data and assessment reports prepared by others is reviewed by the individual(s) making the assessment.

Their selection and use should take account of the assessment objectives as well as the source and availability of information.

Direct Assessment Methods		
Audit	Involves examination of issued processes, procedures and standards together with discussions and workplace visits to confirm compliance.	Useful when the organisation's management system is stable and has been confirmed as meeting legal requirements. Findings are likely to be indicative of the organisation's leadership, capability and culture.
Inspection	Involves discussions with operational personnel and visits to the workplace to confirm that required standards are being achieved, that processes, procedures and standards are adequate and being followed.	Useful if the organisation's management system is undergoing change or has not been confirmed as meeting legal requirements.  Can also be used to assess whether improvement projects are being effectively implemented.  Findings can be used to inform the revision of management system documentation and are likely to be indicative of the organisation's leadership, capability, culture and risk controls.

Surveillance	Involves attending meetings and workplaces to form judgements on whether the required standards and behaviours are being achieved.	<p>Used for routine business such as meetings involving operational and functional management and governance meetings. Findings will be indicative of the organisation's leadership, capability and culture.</p> <p>Used as part of routine inspection activities to check workplace conditions and enable behavioural observations to be made. Findings will be indicative of the effectiveness of risk controls and the organisation's capability and culture.</p> <p>Can be used periodically to observe the investigation of incidents and management reviews. Findings will be indicative of organisational capability and culture.</p> <p>Observations provide "intelligence" to inform the oversight programme as well as providing confirmation of process compliance.</p>
Review	Involves the examination of information, data and documentation but without a visit to the workplace.	<p>Used during the independent review of safety case documents to test the robustness of the safety argument and to ensure high standards are achieved.</p> <p>Used as part of routine inspection activities - includes the review of operational logs and event reports and the status of action close out. Findings provide "intelligence" to inform the oversight programme as well as confirmation of process compliance etc.</p> <p>Can be used to assess the quality and comprehensiveness of management systems procedures, incident investigation reports and any improvement programme.</p> <p>Can include the review of incident data to identify trends or concerns. May also include the collective review of plant modifications or organisational change assessments to confirm that safety arguments remain valid.</p>



Investigation	<p>Involves examination of issued processes, procedures and standards together with discussions and workplace visits to identify the cause of an abnormal event.</p> <p>Raised following the initial investigation of incidents, audits and inspections by others within the organisation.</p>	<p>Usually undertaken following a significant abnormal event at the request of senior management to ensure that the investigation is demonstrably independent.</p> <p>Findings can be used to inform the revision of management system documentation and are likely to be indicative of the organisation's leadership, capability, culture and risk controls.</p>
Indirect assessment methods		
Non-conformance Reports	These include plant performance reports and safety performance indicators as well as the results from management workplace inspections and self-assessment reports.	Used to identify trends and potential topics for inclusion in the oversight programme. Can be used as input to planned assessment. Findings will be indicative of the effectiveness of risk controls and the organisation's capability and culture.
Management Reports	These include plant performance reports and safety performance indicators as well as the results from management workplace inspections and self-assessment reports	Used to identify trends and potential topics for inclusion in the oversight programme. Findings may be indicative of leadership and culture.
Safety, Security and Environmental Representatives	These include findings from workplace inspections and incident investigation reports as well as concerns raised by the representatives.	Used to identify trends and potential topics for inclusion in the oversight programme. Findings may be indicative of leadership and culture.
Reports from 3 <sup>rd</sup> Parties	These include findings from inspection, audits and assessments made by peer groups, regulators, certification bodies and external bodies such as WANO.	Used to identify trends and influence topics for inclusion in the oversight programme. Findings should provide information on the quality and effectiveness of the oversight programme.
Surveys	Involves the questioning of a number of employees and / or contractors using tools such as the HSE Safety Climate Survey.	Useful to provide a basis of the organisation's culture. Can be used to diagnose areas of concern or to confirm that improvement initiatives have been effective.

## **Appendix C – Guidance for Peer Assists**

Peer assists have become a focus of the IOWG in recent years. A small number of peer assists have been undertaken on the oversight function of different organisations and on smaller projects; these have been well received by the organisation and the oversight function and have had regulator interest. Good practice for how and when peer assists should be undertaken has been collated.

### **Benefits and Obstacles**

Peer assists have received a lot of positive feedback from both organisation directors and the oversight functions. Having experienced individuals with credibility in the industry conduct an assessment, provides an organisation with a different perspective on the problems it faces. Organisations have been able to take learning from the donor assessors, and in return the donor assessors develop their own knowledge through conducting the peer assist.

Some of the obstacles faced have included security clearance/inductions for donor assessors, familiarity with the organisation and site and requirement for an escort to be available for the duration of the peer assist. In some cases, access to commercially sensitive information might be needed and non-disclosure agreements may be required. Cost and time should also be considered and agreed between the host organisation and the donor assessors prior to the peer assist.

### **When to undertake a Peer Assist**

Peer assists are requested by the host organisation and can be undertaken for various activities; the following have been identified as potential peer assist activities:

- Emergency exercises,
- Governance,
- Audit/Inspection,
- Readiness Review,
- Specialist Support,
- Benchmarking/ trending review,
- Specific areas of Independent Nuclear Safety Assessment.

### **Peer Assist Considerations**

The scope and objectives of the peer assist should be agreed prior to the activity including objectives, benefits and expectations. The host organisation should consider who is best placed to undertake the peer assists, what is required, whether there will be a requirement to review commercially sensitive/legal information and whether there is the capability to support the review e.g. availability of IT and management. The host organisation should consider:

- Appointment of appropriately competent lead assessor,
- The qualifications/ SQEP requirements of the donor assessors,
- Access to the required information,
- Induction of the donor assessors,
- Representation of the IOWG/mandate of the SDF,
- Allocation of cost,
- Sharing of effort.

The delivery of peer assists should lead to improved information sharing, better understanding of the activity, validation of practices and understanding of different perspectives including relevant good practice and proportionality within the industry.

**Feedback**

Feedback should be given as part of a closing meeting where the host organisation is provided with the key findings from the peer assist including any urgent actions which are recommended.

This immediate feedback should be followed up by a comprehensive report against the agreed scope and objectives of the peer assist. The format and timescale for the final report should be agreed between the appointed team leader and host organisation.

**Benchmarking**

It is acknowledged that there is a difference between benchmarking and peer assists however following a peer assist a level of benchmarking can be undertaken to enhance learning in the industry. This can include:

- Compare and contrast between the host organisation and donor assessors including gap identification and analysis,
- Sharing of key findings and benefits,
- Improvements for visitor and host organisations.

**Principle 1** - Directors and senior management establish and value arrangements to enable the independent assessment of performance (oversight) throughout the organisation to be undertaken and periodically review findings reported to them.

**Principle 12** - The effectiveness of the organisation and arrangements for resourcing, planning, conducting and reporting independent assessments is periodically subject to independent assessment and results are reported to directors and senior management.

## ***Appendix D – Guidance for the Planning of Routine Surveillance and Planned Assessment***

### **Routine Surveillance - Meetings**

Individuals attending meetings do so as an observer and should not participate in decision making. Relevant information on the topics being discussed should be brought to the attention of participants and advice should be provided if requested. Where an issue is identified that merits raising during the conduct of the meeting, it should be brought to the attention of the chair. Once it has been raised the observer should explain their concern but not drive the decision making.

Observations should be provided to the person leading the meeting after it has been completed. This should highlight any areas where the expected processes, attitudes and behaviours were not observed.

Meeting observations provide intelligence that should be used to influence the scope and direction of the oversight programme. Observations from a single meeting are unlikely to provide strong evidence of performance, but may be indicative of process adherence, leadership style and underlying culture.

### **Routine Surveillance – Review of Operational Records**

These reviews should focus on abnormal events and information indicating that the expected outcome or performance may not have been achieved. Work to confirm that the required actions have been taken and correct processes followed should be undertaken. In the event of this not being the case this should be brought to the attention of operational management.

Oversight management should be informed of any significant event that requires the routine surveillance activities to be suspended to enable detailed follow up activities to be undertaken. The decision on whether detailed follow up is required should be left to the discretion of the local assessor, but these activities should be reflected in the oversight programme.

### **Routine Surveillance – Workplace Activities**

These activities should ensure that all workplaces are periodically visited to provide confirmation that risk controls are effective and work is being undertaken safely. Priority should be given to the inspection of hazardous areas and the observation of critical tasks.

Consideration should be given to developing guidance to aid the inspection of workplaces and observation of tasks. These activities can provide information that is indicative of the visibility of leaders and the local culture as well as providing evidence of the effectiveness of risk controls.

### **Planned Assessments – Audits and Inspections**

An introductory meeting with representatives of the groups being subject to the assessment should be held. Key elements of the assessment plan should be presented, the assessment timetable verified and arrangements for feeding back findings confirmed.

In general activities involving the interviewing of operational personnel or observation of activities should be carried out by paired teams. The aims of the assessment

should be explained and personnel encouraged to actively participate in the assessment.

Operational personnel should be given sufficient time and opportunity to provide the necessary information, but where possible the activities should be completed within the agreed timetable. At the end of each assessment activity any areas where further information or work may be required and any good practices identified during the assessment should be highlighted to the individuals subject to the assessment.

The lead assessor should ensure that debriefing sessions are held at the end of each work period to enable each team to summarise their findings and identify any issues that may require further work. The lead assessor should ensure that these findings and issues are visible to the team and determine whether there is a need to revise the assessment plan or timetable.

Operational management should be informed of significant issues that may require their attention at the end of each day and proposed changes to the assessment plan or timetable.

Audits and inspections should provide evidence against which to make judgements on the suitability of the management system and the effectiveness of implementation of requirements. They will also provide information that is indicative of leadership style and underlying culture within the areas subject to the assessment.

#### **Planned Assessment – Review of Safety Documentation**

Individuals should take account of the “Best Practice on the Peer Review of Safety Case Submissions” issued by the SDF when undertaking the review of safety documentation.

#### **Planned Assessment – Review of Performance Data**

Individuals should take account of the “Good Practice Guide to the development and use of Safety Performance Indicators” issued by the SDF when undertaking the review of performance data.

#### **Unannounced Assessments**

The above guidance may not be able to be applied in full to unannounced assessment, but the concepts remain valid and should be followed where possible.

## ***Appendix E – Guidance for Reporting of Routine Surveillance and Planned Assessment***

### **Routine Surveillance Reports**

A standard template for routine surveillance reports should be developed and these should summarise the findings of the surveillance activities over a defined period, rather than every individual assessment activity. The frequency of reports should be determined by the size and complexity of the areas subject to surveillance.

The report should identify:

- the operational management meetings attended, and highlight any occasion where significant deviation from required processes and behaviours was observed,
- the schedule of operational records reviewed and highlight where follow up work was undertaken,
- the workplaces inspected and operational tasks observed during the period,
- areas of concern or topics that are considered relevant to the oversight programme.

### **Assessment Reports**

A standard template for assessment reports should be developed. Consideration should be given to requiring a one page summary report that covers the assessment purpose, key findings, and conclusions and where appropriate recommendations.

The reports should be prepared for each assessment activity and be uniquely identified and include the assessment file reference. Sufficient detail to enable the context, scope and assessment to be understood should be included in the report. Reports should explain the methods used to select the areas subject to assessment together with the criteria for making judgements. Areas and / or topics that were included in the assessment plan but not subject to the assessment should be highlighted and the reasons why explained.

The assessment findings should be categorised and collated under relevant areas or topics. The actions taken by operational management to address significant issues identified during the assessment should be included.

A conclusion on the suitability of the organisations processes and associated management system documentation relevant to the assessment should be made.

A conclusion on the degree of compliance with the requirements of the management system and the effectiveness of implementation in the areas assessed should be made. Comments on the leadership and culture observed within the areas subject to the assessment should also be made.

The report should identify recommendations to address the assessment findings that require a response from operational management in accordance with the organisation's procedures.

Areas of concern or topics that are considered relevant to the oversight programme should be identified.

### **Safety Assessment Review Report**

A standard template for the review of safety documents should be developed. Consideration should be given to requiring a one-page summary report providing the key findings and conclusions and where appropriate recommendations.

The lead assessor should be familiar with the “Best Practice on the Peer Review of Safety Case Submissions” issued by the SDF when reporting on the review of safety documentation.

The lead assessor should prepare a report that summarises the overall findings of the review. This report should include relevant details from the detailed assessment undertaken by others involved in the review, be uniquely identified and include the assessment file reference. Sufficient detail to enable the context and scope of the assessment to be understood should be included in the report. Reports should explain the methods used to select the areas subject to the assessment together with criteria for making judgements.

The report should provide for the technical acceptability of the safety case and confirm that:

- the declared subject or purpose of the safety case is adequately addressed within the documentation and this is sufficient to meet legal requirements.
- the arguments are balanced, sound, objective and supported by appropriate evidence.
- risks have been demonstrated to be ALARP/ BAT and that relevant good practice has been adopted.
- the documentation has been prepared in accordance with the organisation’s arrangements.
- (where appropriate) any actions planned to address unresolved issues or shortfalls are suitable and do not compromise the overall acceptability of the case.

Conclusions on the degree of compliance with, and the effectiveness of implementation of, the management system requirements for the preparation of safety documentation should be made. Comments on the effectiveness of the leadership exhibited during the preparation and review of the safety documentation should also be made.

### **Concurrence Report**

A standard template for the respective concurrence assessments should be developed. Consideration should be given to requiring a one page summary report providing the key findings and conclusions and where appropriate recommendations.

The report should provide a clear statement on whether the intended management decision is supported and provide sufficient detail to justify this conclusion. Where concurrence has not been achieved the reasons for this assessment decision should

be summarised and justified. Concurrence reports should take account of the matters addressed for the preparation of audit / inspection and safety case review reports.

The report should include a conclusion on the degree of compliance with the requirements of the management system and the effectiveness of implementation within the areas assessed.

Where relevant a conclusion on the suitability of the organisation's processes and associated management system documentation considered during the assessment should be made.

Comments on the leadership exhibited and culture observed should also be made.

### **Safety Performance Review Reports**

The assessor should be familiar with the Good Practice Guide associated with the development and use of Safety Performance Indicators issued by the SDF when reporting on the review of safety performance data.

The review report should include conclusions on the degree of compliance with management system requirements and the effectiveness of their implementation. Comments on culture attributes, such as those included in INSAG 15, identified by the review should be made.



## **Appendix F – Related References**

### **International Atomic Energy Agency**

IAEA set out the general expectations in various publications, available on their website:

[International Atomic Energy Agency | Atoms for Peace and Development](#)

Of particular note are:

- GSR Part 2 (leadership and management for safety)

World Associated of Nuclear Operators (WANO) unites every company and country in the world that has an operating commercial nuclear power plant to achieve the highest possible standards of nuclear safety. It has published guidance on independent oversight:

- WANO GL 2018 01 Independent Oversight

### **ONR Guidance**

ONR publishes the internal technical guidance used by its inspectors on the ONR website:

[http://www.hse.gov.uk/nuclear/operational/tech\\_asst\\_guides/index.htm](http://www.hse.gov.uk/nuclear/operational/tech_asst_guides/index.htm).

ONR Guidance covers a range of special topic for both Nuclear Safety and Security

### **HSE Guidance**

For various specific Health and Safety regulations the HSE publishes guidance documents and Approved Codes of Practice (ACoPs):

<http://www.hse.gov.uk/guidance/index.htm>

### **Environmental Guidance**

The Environment Agencies publish guidance on environmental matters:

<https://www.gov.uk/government/collections/technical-guidance-for-regulated-industry-sectors-environmental-permitting>

<https://www.sepa.org.uk/regulations/waste/guidance/>

### **MoD Guidance**

The MoD publishes its internal requirements through the Joint Services Publication Scheme.

Other industry bodies publish guidance, some of which are publicly available, others of which are only available to members, examples include: WANO, INPO, Reactor type operating groups and Submarine enterprise working group.

## Appendix G – Checklist of Key Requirements

Table 10 should assist directors and managers of the oversight department in the assessment of their organisational arrangements against the key requirements of the GPG.

Table 10	
Key Requirement	Current Status
<b>1. Specification of independent oversight Requirements</b>	
<p>Have the directors:</p> <ul style="list-style-type: none"> <li>• Identified the standards to be applied when assessing, benchmarking and reporting on performance?</li> <li>• Identified the actions expected to be taken by personnel undertaking independent assessments in the event of a serious performance issue being found?</li> <li>• Specified the type, scope and frequency of the reports of independent assessment activities they expect to receive?</li> <li>• Clarified their expectations with respect to the disclosure to external regulators of information gained from the independent assessment activities?</li> <li>• Defined the requirement for the periodic assessment of the effectiveness of the oversight arrangements to be undertaken?</li> </ul>	
<b>2. Setting the Mandate</b>	
<ul style="list-style-type: none"> <li>• Have directors defined the mandate of the independent assessment activities they require to be undertaken?</li> <li>• Have directors specified the appetite for independent oversight to specific areas of focus</li> <li>• Is the authority of the independent oversight function clearly defined in the mandate?</li> </ul>	
<b>3. Organisation of the Independent Oversight Function</b>	
<ul style="list-style-type: none"> <li>• Are the responsibilities, accountabilities and authorities for those providing independent assessments clearly identified and understood?</li> <li>• Does the function have sufficient capability and capacity to discharge the required scope of work?</li> <li>• Are personnel undertaking independent assessments demonstrably independent and do they have sufficient authority to undertake the duties expected of them?</li> <li>• Are processes and activities required to deliver independent oversight documented and controlled?</li> <li>• Are standards and expectations for the</li> </ul>	

<p>conduct of oversight activities established?</p> <ul style="list-style-type: none"> <li>• How is a “corporate memory” retained and used to support the oversight function?</li> <li>• Do individual assessors have the necessary experience, training, skills and credibility to conduct the work, to identify performance shortfalls and to recognise good practices?</li> <li>• Does the oversight function have the collective skills and knowledge to cover the scope of its mandate?</li> <li>• Is there a support mechanism to provide additional skills, knowledge and capability is required?</li> <li>• Does training and monitoring of their activities ensure that: <ul style="list-style-type: none"> <li>i. the basis of their judgements is clear, evidence based and not unduly influenced by their own interests?</li> <li>ii. they are open to constructive challenge on their interpretation of information obtained by their assessments?</li> <li>iii. they accept accountability for their actions and aim to deliver the work to agreed programmes?</li> <li>iv. the highest personal standards are adopted?</li> <li>v. a trusting relationship with internal stakeholders is established?</li> </ul> </li> <li>• Are the value and behavioural standards and expectations for assessors clear?</li> </ul>	
<p>4. Development of the Oversight Programme</p>	
<ul style="list-style-type: none"> <li>• Does the oversight programme include assessments of the: <ul style="list-style-type: none"> <li>i. suitability and effectiveness of the organisation and its leadership?</li> <li>ii. suitability of the management system to ensure that all legal requirements are discharged and the organisations processes for planning, undertaking and reviewing its activities are effective?</li> <li>iii. extent to which SSHEQ risks are being controlled in line with relevant legal requirements, the expectations of senior management and requirements of the organisation’s management system?</li> <li>iv. robustness of the arguments required to support the design, construction, installation, commissioning, operation, modification and decommissioning of any plant or equipment that may affect</li> </ul> </li> </ul>	

<p>safety?</p> <ul style="list-style-type: none"> <li>v. robustness of the arguments required to support planned changes to the organisation resources and structures?</li> <li>vi. timeliness and effectiveness of actions taken in response to assessments made by internal and external bodies as well as significant operating experience recommendations?</li> <li>vii. culture prevalent within the organisation, including its leaders and headquarters staff, as well as at the sites and workplaces?</li> <li>viii. Soft projects, involving supporting functions</li> </ul> <ul style="list-style-type: none"> <li>• Has a risk informed approach been used to prioritise activities included on the oversight programme?</li> <li>• Had proportionality been applied when determining the oversight activities?</li> <li>• Has the oversight programme: <ul style="list-style-type: none"> <li>i. taken account of the work of other parties undertaking assessment activities?</li> <li>ii. been considered by the Nuclear Safety Committee or similar high level committee for advice?</li> <li>iii. been approved by either the executive board or by the director who has the responsibility for providing an independent view of performance to the executive board</li> </ul> </li> </ul>	
<p>5. Independent Assessment Activities</p>	
<ul style="list-style-type: none"> <li>• Are suitable assessment plans prepared and agreed prior to undertaking independent assessments?</li> <li>• Are standards issued for the preparation, review and approval of assessment reports?</li> <li>• Do assessment reports: <ul style="list-style-type: none"> <li>i. identify where performance has been found not to meet the required standard?</li> <li>ii. identify where good practices have been found?</li> <li>iii. make a conclusion on acceptability and / or performance based upon clear sufficient evidence to support such findings?</li> </ul> </li> <li>• Have processes, decision making and behaviours within the organisation been challenged?</li> <li>• Have operational management been provided</li> </ul>	

<p>with sufficient information to enable them to understand the significance of findings and the action necessary to address them?</p> <ul style="list-style-type: none"> <li>• Have operational management been required to provide feedback on the conduct and perceived value of the assessment activity (Assessment Feedback Form)?</li> </ul>	
<p><b>6. Analysis of Independent Assessment Activities</b></p>	
<ul style="list-style-type: none"> <li>• Have arrangements for the regular and systematic analysis of findings from the oversight programme been established?</li> <li>• Is there an assessment framework / model against which to carry out the analysis?</li> <li>• Does the analysis event lead to the identification of: <ul style="list-style-type: none"> <li>i. areas of concern or issues that may require the attention of senior management?</li> <li>ii. areas of good performance and practices across the organisation?</li> <li>iii. information that may affect the conduct and implementation of the independent assessment activities?</li> <li>iv. any significant issues resulting from incident investigation or the findings of third parties, such as regulators and certification bodies which were not identified by the oversight programme?</li> </ul> </li> <li>• Has a collective view on performance across the site(s) and organisation been agreed? <ul style="list-style-type: none"> <li>i. Did this identify common areas of concern or significant issues requiring attention?</li> <li>ii. did this enable agreement to be reached on those issues / concerns that should be brought to the attention of directors and senior management?</li> <li>iii. Were potential impacts on the oversight programme identified?</li> </ul> </li> </ul>	
<p><b>7. Report to Directors and Senior Management</b></p>	
<ul style="list-style-type: none"> <li>• Is a written report issued to the directors and senior management?</li> <li>• Does the report: <ul style="list-style-type: none"> <li>i. provide a commentary on the status of and key findings from the oversight programme?</li> <li>ii. provide a summary of significant independent assessment activities, including requests for regulatory permissions and where appropriate the findings of concurrence assessments?</li> </ul> </li> </ul>	

<ul style="list-style-type: none"> <li>iii. provide confirmation that the regulatory requirements and standards are being achieved and comment upon the suitability of actions being taken should this not be the case?</li> <li>iv. highlight significant concerns or issues that require their attention, in particular where it is judged that regulatory enforcement action may be initiated or an application for regulatory permission not be granted?</li> <li>v. provide the directors and senior management with an independent ongoing perspective on performance at the nuclear site(s) and within the corporate organisation compared to industry standards?</li> </ul> <ul style="list-style-type: none"> <li>• Has an effective scoring and grading method been considered to support the report?</li> <li>• Does the scoring and grading system reflect the expectations and appetite for SSHEQ risk of the senior management?</li> </ul>	
<p>8. Monitoring and Reviewing Performance</p>	
<ul style="list-style-type: none"> <li>• Have arrangements to enable the performance of the oversight function and effectiveness of the independent assessment activities to be monitored and reviewed been established?</li> <li>• Have performance measures for the independent assessment and oversight function been established?</li> <li>• Are the views of the directors and senior management on the value of the oversight activities sought and reviewed and action taken to address adverse comments?</li> <li>• Are the views of the operational management on the conduct and value of the oversight activities sought and reviewed, and action taken to address adverse comments?</li> <li>• Are the views of the external regulators on the conduct and value of the oversight activities sought and reviewed, and action taken to address adverse comments?</li> <li>• Have arrangements to benchmark the oversight function and activities been established?</li> <li>• Has a periodic review of the effectiveness of the independent assessment processes and oversight function been undertaken?</li> <li>• Has an independent assessment of the independent assessment processes and</li> </ul>	

<p>oversight function been undertaken?</p> <ul style="list-style-type: none"><li>• Has consideration of an IOWG peer assist been considered?</li></ul>	
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## Acronyms

AC	Authorisation Condition
ALARP	As Low As Reasonably Practicable
ASME	American Society of Mechanical Engineers
BAT	Best Available Techniques
CPNI	Centre for the Protection of National Infrastructure
CNC	Civil Nuclear Constabulary
CoP	Code of Practice
EA	Environment Agency
EHSQ&S	Environment, Health, Safety, Quality, Safeguards and Security
GPG	Good Practice Guide
GSR	General Safety Requirements
HMG	Her Majesty's Government
HSE	Health and Safety Executive
IAEA	International Atomic Energy Agency
IC	Intelligent Customer
INPO	The Institute of Nuclear Power Operations
INSAG	International Nuclear Safety Advisory Group
IOWG	Independent Oversight Working Group
ISO	International Organization for Standardisation
IT	Information Technology
JSP	Joint Services Publication
LC	Licence Condition
LLWR	Low Level Waste Repository
MoD	Ministry of Defence
MODP	Ministry of Defence Police
NRW	Natural Resources Wales
NCSC	National Cyber Security Centre
NRW	Natural Resources Wales
NSAN	National Skills Academy for Nuclear
NSC	Nuclear Safety Committee
NSSP	Nuclear Site Security Plan
ONR	Office for Nuclear Regulation
PBO	Parent Body Organisation
PPE	Personal Protective Equipment
REPs	Radioactive Environmental Principles
SAPs	Safety Assessment Principles
SDF	Safety Directors Forum
SEPA	Scottish Environment Protection Agency
SEPR	Submarine Enterprise Peer Review
SSHEQ	Safety, Security, Health, Environmental and Quality
SPI	Safety Performance Indicators
SQEP	Suitably Qualified and Experienced Person
SyAPs	Security Assessment Principles
TAGs	Technical Assessment Guides
WANO	World Association of Nuclear Operators