



MAGNUM CONSTRUCTION SERVICES INC.

CORPORATE AUDIT & REVIEW PROCEDURE

Document Code: MCS-CORP-09 | **Revision:** 1.0 | **Effective Date:** October 31, 2025

1. PURPOSE

This procedure establishes the framework for conducting **internal audits, management reviews, and performance evaluations** to ensure the effectiveness and continual improvement of the **Integrated Management System (IMS)** at Magnum Construction Services Inc. (MCS).

The objectives are to:

- Verify compliance with ISO 9001, ISO 45001, and ISO 14001 standards.
 - Ensure all policies and procedures are effectively implemented and maintained.
 - Identify opportunities for improvement and prevent recurrence of nonconformities.
 - Provide data-driven insight for executive decision-making and resource allocation.
-

2. SCOPE

Applies to all departments, divisions, and project sites under the control of Magnum Construction Services Inc., covering:

- **Corporate operations** (governance, HR, finance, procurement, IT)
 - **Project execution** (safety, quality, environmental, scheduling, field operations)
 - **Supplier and subcontractor performance audits**
-

3. REFERENCES

- **ISO 9001:2015 – Quality Management Systems, Clause 9.2**
- **ISO 45001:2018 – Occupational Health & Safety, Clause 9.2**



- ISO 14001:2015 – Environmental Management Systems, Clause 9.2
 - Magnum Management System Manual (MCS-CORP-05)
 - Records Management & Document Control Policy (MCS-ADM-04)
-

4. DEFINITIONS

Term	Definition
Audit	Systematic, independent, and documented process for obtaining evidence and evaluating it objectively.
Nonconformity (NC)	Non-fulfillment of a requirement (e.g., policy, law, or standard).
Corrective Action (CA)	Action to eliminate the cause of a nonconformity.
Preventive Action (PA)	Action to prevent potential nonconformities before they occur.
Management Review (MR)	Formal executive meeting evaluating the suitability, adequacy, and effectiveness of the IMS.

5. RESPONSIBILITIES

Role	Responsibility
Executive Director / CEO	Approves audit schedule and ensures resourcing for corrective actions.
Corporate Quality & EHS Director	Oversees the internal audit program, reporting, and follow-up verification.
Lead Auditor (Internal or Third-Party)	Plans, executes, and reports on assigned audits objectively.
Department Heads / Project Managers	Cooperate during audits, implement corrective actions, and provide evidence of closure.
Document Control Coordinator	Maintains audit records, corrective action logs, and management review minutes.

6. AUDIT PROGRAM

6.1 Audit Planning

The **Corporate Quality & EHS Director** develops an annual audit schedule based on:

- Organizational risk level
- Regulatory or contractual obligations
- Results from prior audits and performance metrics

6.2 Audit Frequency

Audit Type	Frequency	Conducted By
Corporate IMS Audit	Semi-annually	Corporate Quality & EHS Team
Project Site Audits	Quarterly	Field Auditors / Safety Leads
Supplier/Subcontractor Audits	Annually or as required	Procurement Dept.
Third-Party Certification Audits	Annually	Accredited Registrar (ISO)

6.3 Audit Planning & Notification

- Audit plans are communicated at least **two weeks prior** to execution.
 - Audit scope, criteria, and objectives are clearly defined.
 - Opening and closing meetings are held with responsible management.
-

7. AUDIT EXECUTION

Audits are performed using documented **checklists** aligned with relevant ISO standards and company procedures.

Each audit includes:

1. **Opening Meeting** – Confirm objectives and logistics.
2. **Document Review** – Evaluate compliance with procedures and records.
3. **Field Verification** – Observe work practices and interview personnel.
4. **Evidence Evaluation** – Identify findings based on objective evidence.
5. **Closing Meeting** – Summarize findings, classify nonconformities, and agree on corrective actions.

8. CLASSIFICATION OF FINDINGS

Classification	Description	Required Action
Major Nonconformity	Systemic failure or regulatory breach	Immediate corrective action within 7 days
Minor Nonconformity	Isolated deviation from procedure	Corrective action within 30 days
Observation	Potential improvement opportunity	Reviewed during next audit

9. CORRECTIVE ACTION MANAGEMENT

All findings are entered into the **Corrective Action Register (CAR)**.
Each record includes:

- Root-cause analysis (using “5 Whys” or Fishbone method)
- Corrective and preventive actions taken
- Responsible person and due date
- Verification of closure by Lead Auditor

Overdue actions trigger escalation to the Executive Director.

10. MANAGEMENT REVIEW

10.1 Frequency

The **Executive Leadership Team (ELT)** conducts a **formal Management Review** at least **annually**, and following major incidents, regulatory changes, or audit findings.

10.2 Inputs

- Audit results and performance metrics
- Client feedback and complaints
- Nonconformities and corrective action status
- Risk register and legal compliance updates



- KPI results (MCS-CORP-07)

10.3 Outputs

- Decisions on resource allocation and process improvement
- Updated objectives and performance targets
- Recommendations for policy or procedural changes
- Approval of continual improvement initiatives

Minutes are recorded and retained under document control for five (5) years.

11. REPORTING

Audit results are formally communicated through:

- **Audit Summary Reports** to Department Heads and ELT
 - **Quarterly Audit Dashboard** for trend analysis
 - **Annual Corporate Audit Summary** incorporated into the Management Review Report
-

12. TRAINING

All internal auditors must complete ISO 9001/45001 Internal Auditor Training or equivalent.

Refresher training is required every **two years**.

Audit awareness training is provided to all management and field supervision personnel.

13. RECORD CONTROL

All audit plans, reports, checklists, CAR logs, and Management Review minutes are retained electronically in the corporate document management system per **MCS-ADM-04**.



14. CONTINUAL IMPROVEMENT

Lessons learned from audits are communicated company-wide and integrated into procedures and training.

Recurring findings trigger process redesign and executive review.

15. APPROVAL SIGNATURES

Approved By	Title	Signature	Date
Michael Gaya	Executive Director / CEO	_____	_____
Anthony Magadino	President / Managing Partner	_____	_____
Corporate Quality & EHS Director		_____	_____