



Best practices for preparing for a facility audit (transportation safety audit)

A transportation safety audit can have a significant impact on a business, both positive and potentially negative, if it is not well prepared.

Preparation is the key to success and should therefore not be neglected. Be well prepared: document, track and update your records and have a clear and specific action/intervention plan. Orderly and up-to-date records make it easier for auditors to conduct an audit and understand your business.

How to prepare

- Conduct a simulated internal audit (self-audit) once or twice a year to get a handle on the process.
- Identify and document failures and non-compliances.
- Once the audit date has been set, determine the responsibilities of each person on your team and establish a timeline that will allow you to make the necessary corrections. Give yourself time.

Where to keep records

- Records must be **accessible** at the principal place of business or at another location approved by the appropriate agency.
- They must be **kept for the periods prescribed** by the regulatory body and must not be falsified.
- The inspector must be able to access them **during normal business hours**.

What are the triggers for an audit?

- Poor accident record or convictions/offences.
- Serious incident/accident (e.g., significant collision, criminal offense).
- Fatal collision (results in the transfer of your file to government authorities (CTQ, MTO, etc.) for a hearing).
- Voluntary application for a “Satisfactory” security clearance (In this case, make sure you are prepared).
- Request from another province or territory.

Recommended tools and technologies

- **Certified ELD** (Electronic Logging Device) in Canada – mandatory since April 2023.
- **Telematics system** – **offers many benefits**, including:
 - theft prevention through geo-fencing
 - real-time monitoring of driver behavior
 - automated alert management.
- **Compliance management software** to automate reporting, facilitate transitions/transfers/exchanges between various departments.

Main impacts of a facility audit

Positive impacts of a good preparation	Negative impacts of a bad preparation
Enhanced regulatory compliance <ul style="list-style-type: none">• Reduced risk of sanctions, fines, or suspensions of operating permits.• Improved understanding and application of provincial and federal standards (e.g., NSC, TDG, HOS). Improved security <ul style="list-style-type: none">• Up-to-date and monitored files = better traceability of incidents and training.• Reduction of accidents and risky behaviour. Professional reputation <ul style="list-style-type: none">• A well-prepared business = confidence in customers, insurers and partners.• Possibility of a competitive advantage in tenders or contracts. Optimization of operations <ul style="list-style-type: none">• Better case management = time savings and efficiency.• Proactively identify gaps in internal processes.• Demonstrates the professionalism of the company. Cost reduction <ul style="list-style-type: none">• Fewer accidents = fewer repairs, claims and business interruption.• Fewer administrative penalties.	Regulatory penalties <ul style="list-style-type: none">• Fines, suspension of NSC/NIR/CVOR operating authorization, change in safety rating. Loss of contracts or customers <ul style="list-style-type: none">• Customers may turn to more compliant carriers.• Negative reputational risk in the industry. Rising insurance premiums <ul style="list-style-type: none">• Insurers may consider the business to be at risk if audits reveal non-conformities. Shutdowns <ul style="list-style-type: none">• In the event of serious non-compliance, authorities may impose a temporary or complete shutdown of operations and a change in safety rating. Organizational stress <ul style="list-style-type: none">• Pressure on administrative and operational teams.• Risk of overload during the audit period if records are not properly maintained.

Aviva's Risk Management Solutions team is here to help

Would you like to know more about preparing for an audit? Would you like to do a simulation? **Aviva's Risk Management Solutions** consultants can support you and provide you with tools to help you manage your carrier safety profile (PEVL, CVOR, etc.). Contact us at arms.canada@aviva.com to learn more.

Standard 15 of the **Canadian Council of Motor Transport Administrators** (CCMTA) sets out the minimum standards for a transportation safety audit. The audit assesses a carrier's (passengers and cargo) compliance with road safety regulations. It can be conducted by a government auditor or a certified third party.

Note: Standards may vary by province or territory. Please check the regulations in your province/territory.

aviva.ca/riskmanagement

Sources:

Société de l'assurance automobile du Québec
Ontario - Commercial vehicle operator's registration
Alberta - Facility audits and investigations - Commercial carriers
Canadian Council of Motor Transport Administrators

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