Subject : Virtual meeting / Knowledge Sharing interaction with Empanelled Third-Party Inspection Agencies (TPIAs) on Audit Methodology, Audit Quality and Audit Reporting

A virtual meeting / interaction with the empanelled Third-Party Inspection Agencies (TPIAs), their Technical Managers, supervisors and auditors engaged in carrying out audits under various PNGRB Regulations was held on **15 July 2026** under the Chairmanship of **Shri Jayanta Narayan Das, Member (Technical)**. **Shri Pradeep Tanwar**, **HOD (Tech)** with his technical team members were present as per Aneexure-1. More than **160 representatives** from empanelled TPIAs / Technical Mangers and Auditors participated through virtual mode.

The meeting was convened to deliberate on audit methodologies, audit quality, reporting practices and common deficiencies observed during the review of audit reports submitted under various PNGRB Regulations. The objective of the interaction was to promote uniformity, objectivity, and technical excellence in audits and to strengthen compliance with the regulatory framework governing the Petroleum and Natural Gas sector.

Shri Pradeep Kumar Saxena, Senior Consultant (Technical), welcomed the participants and outlined the objectives of the interaction. He highlighted recurring observations noticed during the scrutiny of audit reports and emphasized the need for technically sound, evidence-based, and impartial audits to improve regulatory compliance and enhance safety performance across the Petroleum and Natural Gas sector.

Key Note address by Member (Technical): Member (Technical) emphasized that TPIAs perform an important independent role in assessing compliance with the provisions of PNGRB Regulations and other applicable statutory requirements. He stated that the quality of audits directly influences the effectiveness of the regulatory framework and contributes significantly towards prevention of incidents.

He stressed that audits should not merely verify documentary compliance but should critically assess implementation of safety management systems, operating practices, maintenance procedures, emergency preparedness, statutory compliance, and field conditions. Auditors were advised to objectively identify systemic deficiencies, unsafe practices, deviations from Standard Operating Procedures (SOPs), deficiencies in contractor management and other factors having a bearing on process safety.

Member (Technical) reiterated that the ultimate objective of the regulatory framework is to achieve **Zero Fatality, Zero Injury and Zero Loss of Primary Containment**, and all TPIAs are expected to contribute towards this objective by conducting technically robust, independent, and unbiased audits.

Remarks by HoD (Technical) : HoD (Technical) advised all empanelled TPIAs to discharge their responsibilities with the highest standards of integrity, impartiality and technical competence. He emphasized that Technical Managers should strengthen internal quality assurance mechanisms to ensure that audit reports submitted to entities and PNGRB are comprehensive, consistent, and supported by adequate documentary evidence.

He further advised that audit findings should clearly identify the applicable regulatory provisions, the nature of non-conformity, associated risks, and recommended corrective measures.

Key Deliberations and Directions: Shri Pradeep Kumar Saxena has taken the session, and the following issues were deliberated during the interaction and appropriate directions were issued:

- PNGRB Regulations and statutory provisions.
- Safety and compliance architecture.
- ERDMP framework.
- Audit methodology.
- Incident reporting and investigation, learning from Root cause analysis..
- Guidelines, Public Notices and SOPs relating to IEFCV, Road Transportation and Compensation were discussed in length and its essence were described.

Key focused areas as mentioned below deliberated in length:

A. Regulatory Compliance and Audit Methodology

1. The provisions of the applicable PNGRB Regulations, statutory requirements, Indian Standards, ERDMP Regulations, audit methodologies, incident reporting requirements and various PNGRB Guidelines, Public Notices and Standard Operating Procedures were discussed in detail.

2. TPIAs were advised to ensure strict compliance with the prescribed periodicity of audits for all regulated entities and facilities.

3. The prescribed audit methodology and minimum audit man-days stipulated under the applicable Regulations and Guidelines shall be strictly adhered to. Audit duration shall normally be counted between **0900 hrs and 1730 hrs** unless otherwise specified.

4. Lead Auditors shall ensure that all audit observations and non-conformities are discussed with the concerned officials during the audit and formally deliberated during the closing meeting before finalization of the audit report.

5. Audit reports shall be in line with the applicable provisions of PNGRB Regulations, statutory requirements, Indian Standards, OISD Standards and recognised engineering practices.

6. Internal audit systems established by regulated entities shall also be reviewed and any deficiencies observed shall be appropriately reported. Guidelines on Standardization of Internal Audits to improve quality, effectiveness and reduce duplication on 26.02.2026 to checked and ensured.

B. Improvement in Audit Quality

7. The Technical Division informed that although the number of audits conducted during FY 2025-26 has increased substantially, review of audit reports indicates the need for considerable improvement in the technical

quality, consistency, and depth of audits.

8. TPIAs were advised to adopt a risk-based and evidence-based approach while conducting audits and avoid checklist-based compliance verification without adequate field validation.
9. Every audit observation shall be supported by documentary evidence, and field verification, and regulation , standard , code references shall be mentioned in the report.
10. All applicable checklist items shall be verified during site inspection and incomplete verification shall be avoided.
11. Non-conformities shall be appropriately classified based on their criticality and supported by references to the relevant regulatory provisions.
12. Technical Managers shall undertake detailed scrutiny of audit reports before submission to ensure consistency, completeness, and technical accuracy.

C. Audit Documentation

13. The authorised representative of the audited entity shall acknowledge the audit findings by signing the audit checklists and audit report. In cases where observations are disputed, the comments of the entity may be recorded separately; however, acknowledgement of receipt of audit observations shall invariably be obtained.
14. Adequate photographic evidence shall form an integral part of all audit reports.
15. Live photographs of the opening meeting, closing meeting, and witnessed mock drills shall be enclosed with audit reports.

D. ERDMP Audit Observations

During review of ERDMP audit reports, the following recurring deficiencies were highlighted:

- Inadequate documentation of QRA, HAZOP and HIRA studies.
- Incomplete gap analysis of ERDMP manuals.
- Improper documentation of emergency scenarios and consequence analysis.
- Inadequate coverage of hazardous area classification.
- Incomplete assessment of off-site consequences affecting neighbouring population and environment.
- Inadequate documentation of emergency response organisation, contact details and resource deployment.
- Insufficient consideration of natural calamities and post-disaster recovery measures.
- Lack of verification that identified risks remain within the ALARP principle.
- Inadequate documentation of compliance with recommendations arising out

of risk assessment studies.

TPIAs were advised to undertake comprehensive review of ERDMP documents and ensure that all deficiencies are appropriately brought out in audit reports with clear recommendations and compliance shall be ensured before certification or target dates shall be obtained in case capital budget is required.

E. Mock Drill Evaluation

The Technical Division highlighted several recurring shortcomings observed during review of mock drill reports, including:

- Mock drills not conducted in accordance with prescribed regulatory requirements.
- Inadequate documentation of events.
- Non-utilisation of prescribed Annexure-3 (ERDMP Regulation 2010) .
- Incomplete action plans arising out of observations.
- Inadequate rotation of emergency scenarios during mock drill.
- Incomplete emergency organisation charts.
- Recoding of timing during drill.

TPIAs were advised to verify these aspects comprehensively during audits and appropriately report deficiencies.

F. Suggestions received from TPIAs.

TPIAs informed that in several cases duly completed audit checklists are not made available by entities before commencement of audits, resulting in avoidable delays and reduced effectiveness of site inspections.

The PNGRB directed that the matter shall be examined separately, and suitable guidance may be issued, wherever considered necessary.

G. Future Initiatives

The Technical Division informed the participants regarding the proposed initiatives for strengthening the audit ecosystem, including:

- Introduction of a TPIA Performance Rating Mechanism.
- Auditor Certification Programme.
- Periodic interaction with TPIAs.
- Strengthening of audit quality review.
- Continuous capacity building of auditors.

Action Points

The following action points emerged from the deliberations:

1. TPIAs shall strictly adhere to the audit methodology prescribed under the applicable PNGRB Regulations and Guidelines.

2. Technical Managers shall strengthen internal quality assurance before submission of audit reports and monitor Auditors performance, and competency building of TPIA team.
3. Audit reports shall contain adequate documentary and photographic evidence supporting all observations.
4. All non-conformities shall be appropriately classified based on prescribed criticality criteria.
5. Compliance with PNGRB Regulations, Guidelines, applicable statutory provisions, Indian Standards, Public Notices and Standard Operating Procedures shall be comprehensively verified during every audit.
6. ERDMP audits shall include comprehensive review of risk assessment studies, emergency preparedness, consequence analysis, mock drills, and emergency response systems.
7. Periodic review meetings shall be organised by PNGRB to monitor audit quality and facilitate continual improvement.

Conclusion

At the end, all queries raised by TPIA/ Technical Managers and Auditors were satisfactorily answered and meeting concluded by advising all empanelled TPIAs to conduct audits with the highest standards of integrity, independence, and technical competence. PNGRB emphasized that quality audits are an important instrument for improving regulatory compliance, strengthening process safety, and preventing incidents across the Petroleum and Natural Gas sector.

The meeting ended with a vote of thanks to the Chair.

Annexure-I: List of Participants


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PNGRB

Annexure-1

S.No.	Name	Designation	Organization
1	Shri Jayant Narayan Das	Member (Technical)	PNGRB
2	Shri Pradeep Tanwar	Director (Technical)	
3	Shri Pradeep Kumar Saxena	Senior Consultant (Tech)	
4	Shri Vijay Kumar	Deputy Director	
5	Shri Ravi Prakash	Assistant Director (T-1)	
6	Shri Arpit Johri	Assistant Director (T-4)	
7	Shri Vaaman Vasishth	Assistant Consultant (T-6)	
8	Ms. Adithya Poosali	Assistant Consultant	

		(T-8)	
9	Ms. Adbhut Kumar Verma	Assistant Consultant (T-9)	
10	Ms. Simran	Asst.-Cum-DEO	