



Health & Safety Due Diligence

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Background

In the process of merger and acquisition an organisation will review the financial standing of the target company to ensure that there are no unforeseen liabilities that may cause serious problems for stakeholders following the merger.

In the same way there may be problems relating to health and safety which may lead to legal or financial consequences for the merged operation. In the same way as financial due diligence, issues may be uncovered which would lead the party planning the takeover to withdraw from the deal or vary the terms.

Examples of this are found in occupational health exposures where claims for diseases such as mesothelioma from exposure to asbestos, or noise induced hearing loss can arise many years after the incidents which have caused them.

With the advent of Corporate Manslaughter, potential fines can be in excess of £500,000 if a fatal incident has occurred through a failure at senior management level to effectively manage health and safety.

Management features

Our consultants who are health and safety specialists but with knowledge and experience of business issue can carry out a review to:

- Review the risk assessments of the target organisation to ensure that so far as is reasonably practicable the potential severity and likelihood of employee injury or ill-health has been identified.
- Ensure that the target company has in place an effective health & safety management system to enable exposures to be identified and controlled.
- All potential claims and prosecutions have been identified.

OBJECTIVES

To identify any potential exposure to liability claims or enforcement action through:

- Carrying out an audit of the target company's health and safety management system.
- Reviewing outstanding liability claims.
- Reviewing outstanding enforcement action and prosecutions.
- Ensuring that there has been in place a robust incident reporting and investigation system.
- Checking that an effective process of performance monitoring has been in place to ensure that major risks are brought to the attention of the senior management.

DURATION

The duration of the due diligence process will be agreed in the light of the activities, size and distribution of the target company.

COST

For a quotation for a health and safety due diligence review, please call Cardinus for further discussion.