

*Insight* aims to provide useful information, links and tips in the areas of Risk Management, Work Health and Safety, Business Continuity Management, and other areas relating to management systems and corporate governance.

## Challenging Human Nature ...

The competitive character trait in human nature can start at a young age, and become especially evident when there is an older sibling involved. This trait often grows during schooling and is fostered through sporting and academic endeavours. Some patriotic folk would probably argue that Australians are the most competitive people in the world, considering the old analogy of betting on 2 flies as they walk up a wall.

Sometimes this 'national' character trait can be a negative ... All too often we come across organisations with such an engrained level of competitiveness that an internal or external audit process becomes a game of one-upping the competing business units, which can undermine the positives to be gained from the audit process.

Friendly competition is good and healthy, but when it comes to audits there are a couple of things that we need to remember.

Audits are inherently designed to call a spade a spade, based on the information gleaned from the audit process - from the discussions with management & the workers, from the field inspections process, and from the review of the documented information. There is little benefit in comparing one business unit (let's call them the '100% Apple Juice' company) who has a specific series of workplace risks and challenges, an SMS designed to help them manage these risks and challenges with another business unit (let's call them the 'Orange Juice rulz' company) who have a different factory site, different seasonal suppliers, arguably better juicing equipment, and a more bespoke SMS to help them manage their risks and challenges.

Despite this, putting an audit score to an audit process is like waving a red flag to a bull. It often triggers the all-too-human desire to undertake

comparisons, without taking the appropriate 2 steps back to look at the context. It furthermore puts the focus primarily on the score instead of on the corrective action processes to ensure non-conformances are addressed.



Let's put some context around our hypothetical juice companies that were hypothetically audited. Say the '100% Apple Juice' company was audited as they were mid-way through a site management change, and there was a significant incident on the site 2 days ago. Whereas the 'Orange Juice rulz' company currently has stability at site and in their SMS, and had their audit on a good day where everything went to plan.

Everything comes back to context when considering the two audit outcomes ... how can we reasonably compare apples and oranges?

Perhaps the more beneficial process would be to consider where we are now, where we came from (since last audit) and where we need to get to.

Arguably the more productive approach would be the concept of progression and comparison with self, rather than comparison to another entity; and taking a focus on fixing what was reported rather than looking at a score.

Please [contact QRMC](#) for more information.

## Due Diligence is not 'Safety Tourism' for executives

Boards and Executive Management are well aware that they have Due Diligence obligations as Officers for their organisations. When it comes to WHS, though, not all Officers are clearly aware of what this means.

'Due Diligence' is required under Sec 27 (5) of the WHS Act, and in short it requires Company 'Officers' to:

- Be aware and keep up-to-date of WHS legislation & industry issues,
- Understand the nature of your business and the hazards and risks associated with its operations
- Ensure appropriate resources and processes are available to eliminate or minimise WHS
- Receive and consider information on incidents, hazards and risks and respond in a timely manner
- Ensure processes are implemented for complying with the companies WHS duties
- Personally verify the use of resources to fulfill (c), (d) and (e) above.

Overall, the 'Officer' has a positive duty to exercise due diligence to ensure that the Company complies with that duty or obligation.

Organisations have moved to address this requirement by ensuring that their Boards and Executives receive training in relation to WHS & their Safety Management System (SMS), beefing up reporting to ensure that information required to support the due diligence process is regularly provided. Further, there has been a growth in the number of executives venturing out of their office and down to the workplace or worksite/s with the aim of personally verifying WHS requirements.

While it is beneficial to have the senior executives on the shopfloor or at the worksite, a simple guided tour is not enough! (and sitting back watching the workers doesn't cut it either!).

The final requirement from Sec 27 (5) requires verification, it requires thinking about all of the preceding elements of the Due Diligence requirements, connecting the dots, using knowledge of WHS legislation, consideration of the nature of the business's operations and associated

WHS risks, as well as ensuring safe working processes are in place and working effectively.



So what does this look like in practice? There is a need to take some time to talk to the workers, understand the operational processes and ask them about their WHS challenges.

Ask about what happens when things don't work as they should – what are the work-arounds?

Ask about what they perceive their WHS risks to be & how these are managed.

Talk about the SMS, and ask do they know what they have to do & does it work for them?

Consideration should be given to visiting the workforce at times when it value-adds to enable a more accurate verification process, such as:

- At the start of the day to see if WHS risks are appropriately considered during the planning and set-up phase,
- Have a cuppa and a chat with them in the crew room,
- During maintenance shutdown periods to see if safety is considered during abnormal circumstances, and
- During weekends, after hours and the graveyard shift.

There may be a need to remind the Executives that they need to be *personally satisfied* that all of the requirements of due diligence criteria are fulfilled. By doing these things, Executives will be able to demonstrate they are undertaking Due Diligence activities, and they are not simply "tourists" when it comes to ensuring the work, health and safety of their organisation.

Please [contact QRMC](#) for more information.