

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

This issue:

- Does your accountant know their WHS responsibilities as a company officer?
- Selecting scenarios for BCP exercises
- Preventing recurrence of WHS incidents

Does your accountant know their WHS responsibilities as a company officer?

More than 2 years after the mirror *Work Health and Safety* legislation was introduced into a number of States, most executive management teams are by now well aware of their responsibilities and duties under the Act.

However, under the WHS legislation it is also recognised that the CFO or senior accountant of an organisation is also a company officer, and not all organisations have given consideration to the fact that this status imposes certain due diligence responsibilities.

Key to this is the responsibility for company officers to take reasonable steps to ensure the PCBU has the resources in place to ensure health and safety, and to verify the use of those resources.

When CFOs or accountants work with their management teams to allocate resources in the annual budget cycle, health and safety should receive appropriate consideration in the context of the PCBUs responsibilities.



A basic cost benefit analysis for the allocation of resources is not necessarily enough. Accountants need to bring into this equation the potential costs associated with failure to ensure health and safety, as well as the full gamut of benefits from good health and safety practices, in order to get a true analysis. Budgetary allowances for WHS costs related to incident prevention strategies, for example, will likely be more easily justified when assessed in this way.

Also, accountants may not be sufficiently aware of the full range of costs and resources related to health and safety management. Generally, direct health and safety related expenditure such as safety professionals' salaries, workers' compensation premiums, PPE and first aid supplies will be readily identified. However, the

indirect costs related to conducting appropriate consultation with workers, conducting investigations of WHS incidents, repairing or replacing equipment damaged in incidents etc. may not be correctly accounted for.

If there's any uncertainty as to whether your CFO or senior accountant is across these issues and their responsibilities under the mirror *Work Health and Safety* legislation, it is better for all company officers and for the organisation that the individuals concerned receive appropriate advice, instruction and support.

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



Some of the pitfalls to be avoided in scenario selection are:

- Being overly influenced by the hype surrounding recent incidents in the media, e.g. setting a scenario based around workplace quarantine due to Australian Bat *Lyssavirus* when your organisation has no exposure to the risk factors.
- Using scenarios that are easy to stage but bear little or no relevance to the risks actually faced by the business, e.g. a fire on a premises with excellent fire protection strategies in place but the organisation's most serious risk is inability to keep staffing at full levels.
- Ending the scenario at the point when the Business Continuity Team / Crisis Management Team is notified, on the assumption that responses from this point cannot be realistically played out in a desk-top/hypothetical situation.

Selecting scenarios for BCP exercises

Giving consideration to the vulnerabilities of your organisation's daily operations and documenting planned responses in a Business Continuity Plan is good practice in today's volatile and fast-paced business world.

However, once you have been through the process of developing a BCP, the task is not finished. You can't have confidence that the strategies in the BCP are right for your organisation, or that your workforce is sufficiently familiar with the plan to put it into effect, unless you conduct regular testing exercises.

Such a testing exercise will be most beneficial if the scenario underlying the test is selected with care to suit your organisation.

- Using much the same scenario year after year with largely cosmetic changes to detail, thus minimising the learning opportunity as well as potentially failing to pick up flaws in untested portions of the plan/team.

Considerations for useful scenarios and test exercises include:

- Involve the personnel who gather risk management data for the organisation, as this data can suggest realistic scenarios which actually do need to be solved and documented in the BCP.
- Give consideration to the credibility of the scenario – what is realistic for your organisation and/or location? For example, the main production facility being taken out by a crashing commercial jet airliner is probably a fairly remote chance, but the loss of power to a CBD building is certainly feasible (as Darwin residents [recently experienced](#)).
- Set measureable objectives for the exercise to give focus and ensure that the exercise achieves something concrete. The objectives will also often assist in the selection of suitable scenarios.
- Ensure the scenario facilitates an exercise through to business resumption (the goal of BCPs), rather than ending when personnel safety has been assured.
- Require participants in the emerging hypothetical responses to justify the feasibility of their stated actions (not only what they would do but also how and why).

With consideration of all of the above, the business continuity plan testing exercise stands a much better chance of returning useful results for the improvement of both plan and staff responses.

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

Preventing recurrence of WHS incidents

A critical part of the process of investigating WHS incidents in the workplace is to identify how the incident occurred in order to ensure it (or other similar incidents) won't happen again.

Without thoroughly investigating the causes of an incident, it is difficult to determine what changes can be made to prevent recurrence.

Systematically progressing through the following steps can assist in ensuring a thorough identification of the causes of the WHS incident:

- Consider how **workers** were involved in the incident – were they trained and competent for the task, were they fit for work (not fatigued, sick, under the influence of alcohol etc.), were all required licences for the task in place and up to date, was the time of the incident at the end of a long shift, etc.
- Consider how external and/or internal **environmental factors** may have affected the task being undertaken during the incident – for example were there wet and oily road surfaces, were workers experiencing excessive heat or cold, was lighting appropriate to the task, was the workspace tidy and organised?
- Check whether any **materials or hazardous chemicals** were involved in the incident, and if so whether systems of work and appropriate worker training were in place for appropriately dealing with these.



- Consider the **plant/equipment** involved in the incident – was it fit for purpose, was it maintained, did workers have appropriate training in its use, was guarding required and in place?
- Determine if **safe systems of work** were prepared, implemented and being used – this also includes whether risk assessments for the task were properly undertaken and documented.

If all of the above factors are properly explored, opportunities for improvement (OFIs) will usually be found in even the best managed workplaces. Consulting with the workers about these OFIs, risk assessing them to ensure they don't introduce any new risks, and implementing them as soon as possible, will help to keep your workers safe and prevent a recurrence of the incident.

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

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**RISK MANAGEMENT
SAFETY MANAGEMENT
BUSINESS CONTINUITY MANAGEMENT
MANAGEMENT SYSTEMS**

QRMC Risk Management Pty Ltd

ABN 43 119 425 991

**PO Box 199,
Brisbane Q 4001**

p. 4

 **(07) 3229 1744**
 **enquiries@qrmc.com.au**
 **www.qrmc.com.au**