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:

■ Best Practice Audit Reporting
■ What should be in your BCP?

Best Practice Audit Reporting

The practice of audit reporting evolves over time, often as a result of technological advances and also in response to practical limitations in our time-poor contemporary society. Managers are generally looking for shorter and sharper formats, with clear indicators of any shortcomings and positive findings.

The use of 'traffic light' reporting (or the use of similar colour-coded icons) is now common place as a way to quickly highlight to the reader the status of the organisation's performance against the audit criteria. (Thankfully we haven't yet progressed to the use of emoticons!)

The use of a tabular-style reporting is also reader-friendly, wherein the information is presented in a table that aligns with the audit criteria, and against the criterion presents both the findings and any recommendations, all within one page. This style of report is much easier for the time-poor reader than older prose-based styles wherein the reader has to flick between sections and mentally collate the relevant information.

Industry leaders in best practice auditing have advocated for a structured and graded approach in relation to any identified non-conformances within the auditing framework. This is commonly applied as:
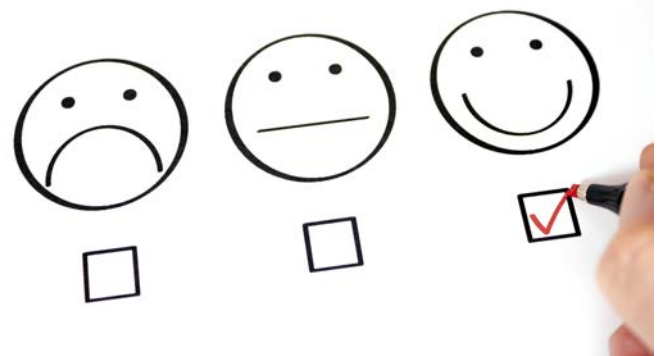
■ Major non-conformance (NC-M) being a non-fulfilment of a requirement of the standard or internal organisational requirement, or non-compliance to a legislative requirement, that affects the ability of a management system to achieve the intended results; or a number of minor non-conformities listed against similar areas.

■ Minor non-conformance (NC-m) being a non-conformity that does not affect the capability of the management system to achieve its intended results.

This structured approach to classifying non-conformances allows the auditor to highlight the significance of any detected issues. The auditor should then respond to the non-conformances by offering Recommendations relating to each finding, which then

enables the auditee to address issues in a prioritised way. These Recommendations should be specific and 'value add' to not only the audit process, but also the client's operations.

Opportunities for Improvement (OFIs) can also be offered where there is conformance with the audit criteria but also potential to improve or streamline an area or process. OFIs may also indicate trends which may result in a future non-conformance.

While hazards may be evident on-site, and a photo of a hazard can be powerful in explaining a site issue to Management, the systems auditing process should see the hazard simply as an indicator or symptom of a process or system deficiency. The key question that needs to be asked is, why did the hazard manifest itself and why did internal systems not detect it prior to an audit?

The aim of a systems audit is not just to fix the hazard; it is to prevent such hazards systematically re-occurring.

Please contact QRMC for assistance with reviewing your internal auditing processes and tools.

What should be in your BCP?

Having a Business Continuity Plan (BCP) implemented for your organisation is a strong protection against the negative consequences of disruptive events.

However, it is not uncommon for an organisation's BCP to fail them when it is most critically needed, due to a fundamental disconnect between what is really required to be documented, and what ends up included in a poorly documented plan.

If your organisation has a BCP, or intends to develop one, it's a worthwhile exercise to undertake a critical assessment of the high-level structure of the plan. Does it have what you really need? Or is it just so many pages of text with theoretical information ready to cause confusion when your staff most needs clarity?

Following is a checklist of the most critical elements of an effective BCP. If your existing or planned BCP does not readily present this information in a clear and concise way, it may be a good time to review it … before you need to rely on it.

1. **First response**

    When a disruption occurs, it is important that everyone understands (and has practiced) what to do first. Are the organisation's critical functions known? Does the person who first notices an event know who to report to first? Does everyone know who's supposed to be in charge of a business continuity coordinating group in the emergency? Is critical contact information available? These and

other relevant first response issues should be planned, documented and exercised.

2. **Stability**

Is there a quick process agreed and available to assess the event and determine how to contain/prevent escalating impact so as to achieve some stability of the situation? Complex analysis is unlikely to be possible at this stage, but a fast understanding of the cause and key impacts is important, so processes and communication lines to support that should be agreed upon and documented.

3. **Activate**

Once the key impacts have been identified, the relevant response plans need to be activated. Is there a documented plan to recover each of the critical functions? Is there an agreed process for activating the relevant recovery plans?

4. **Communicate**

Coordination of different responders, potentially across various parts of the organisation, will be required. External stakeholders may need to be notified. Updates will need to be provided to affected workers. Status reports to management will be required. Public and/or media announcements may need to be made. Are the contact details easily available? Is it clear who's responsible for initiating and managing each type of communication?

5. **Extend**

While initial responses to recovering critical functions might be quickly completed, full recovery of all functions may take an extended time. Is planning in place for the required resources over time, such as staff rotation timetables, processes for handover of responsibilities, etc.?

6. **Assess**

Once the emergency is over and all business functions have been recovered, assessment of the organisation's status and the plan's success is important. Are there post-event tasks to be managed? Where did the BCP or the personnel using it fail to perform adequately? A process for debriefing and capturing the lessons from the whole event should be documented.

Please contact QRMC for assistance with reviewing or developing your Business Continuity Plan.

RISK MANAGEMENT
SAFETY MANAGEMENT
BUSINESS CONTINUITY MANAGEMENT
MANAGEMENT SYSTEMS

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