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## Moving towards better corporate governance

Widely publicised and catastrophic failings like the Global Financial Crisis and the Deepwater Horizon oil spill focus our attention on trying to identify the causes and figure out what went wrong.



Frequently the spotlight is on the failure of specific procedures, particular individuals and even software or equipment.

Sometimes we fail to look beyond these details to view the big picture, and question the breakdown of corporate governance which might be fundamental to the failure.

Many organisations believe, mistakenly in QRMC's view, that the role of the corporate board is fulfilled if they ensure that the regulatory framework within which the organisation operates is complied with (that is, in such areas as financial and safety management which have legislatively mandated requirements). This role is indeed a necessary and important one for Boards, however the leadership role cannot end there.

Strong corporate governance also requires the Board (or executive management team, if there is no Board) to engage in:

- setting and communicating the business objectives which direct activities
- developing a complete picture of the business operations and the risk profile of those operations
- providing active leadership support to the implementation of risk and safety management
- reviewing reporting arrangements to ensure that the data reaching Board level is accurate and provides the necessary information on which to base decision-making
- checking that there is an alignment between the Board's perception of the risks of the business, and what is reported to the Board in risk management reports
- setting goals and measures to assess Board performance
- ensuring that the Board characteristics (skills and experience profile) match the requirements of the organisation

A third party review of governance arrangements and reporting structures can provide clarity and confidence to the Board that the organisation is operating to its full potential and the Board is successfully fulfilling its governance role. Training for corporate board members and executive management in their governance responsibilities can also be invaluable in this regard. Contact [QRMC](#) for assistance if your organisation would benefit from these services.

# Developing management systems that work

The frustration experienced by safety managers, risk managers, HR managers, IT managers and their ilk can be intense when they are responsible for systems and procedures which employees consistently fail to follow.

However, what they often fail to do themselves is to consider whether the fault lies with the system design rather than the employees.

In QRMC's experience, management systems and procedures of various sorts are frequently developed and put into operation with little consultation, insufficient consideration of the previously existing processes, and inadequate (or non-existent) customisation to tailor them to operational requirements.

The result is often an ineffective system which fails to fulfil its objectives leads only to frustration for all involved.

QRMC's extensive experience in developing and implementing systems and procedures in risk management, safety management, business continuity management and other areas has allowed us to identify critical requirements for successful systems:

1. Start off by undertaking a review and gap analysis of what's currently in place. There's no point in throwing out the baby with the bathwater, and keeping components that work will also simplify implementation.
2. Ensure that staff who need to use the system/procedure are involved in its development. This not only guarantees critical information isn't missed but also eases the implementation process.



3. Make sure that those designing the system/procedure fully understand the operation of the business, its risk profile, and its regulatory and compliance obligations.
4. Keep all documents as succinct and simple as possible. Avoid wordiness and redundancy, and incorporate diagrammatic guidelines when possible.
5. Make sure procedures and requirements are practical and reasonable, in order to maximise compliance.
6. Check for consistency of terminology, instructions and requirements, both internally in the new system/procedure and across all systems in place in the organisation.
7. Provide training to support the communication and roll-out of the new system/procedure.
8. Ensure that there is a feedback mechanism in place for employees to point out any problems they experience in using the new system/procedure.
9. Develop a monitoring program to review and update the system/procedure at least annually.
10. Remember that "off-the-shelf" products which haven't been customised for your business are unlikely to meet expectations.

QRMC can provide assistance with the development and implementation of systems and procedures including gap analysis to identify requirements, revision of existing documentation, development of new documentation, and implementation and training. [Contact us](#) for an obligation-free quote.

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