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QRMC Risk Management

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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:

Checklists: The pros and cons…

Workplaces rely heavily on their WHS inspection and audit checklists. Such checklists assist in prompting what to look for and what to ask, so that the inspection or audit process can be consistent. The use of checklists is beneficial, but to rely wholeheartedly on them can present some risks. There is a need to be aware of the pros and cons, and to counter potential problems, in order to ensure the use of checklists remain effective.

Workplace Inspections

Inspection checklists are commonplace - whether paper-based or undertaken on a tablet - and are generally used for lower level 'hazard' inspections. But typical workplace inspection checklists are riddled with closed questions which require only a yes/no or tick/cross answer, and this often produces a report with checkmarks but very little useful information. For example, if the checklist simply states 'Emergency Response Plan posted' it blocks consideration of whether the Plan is current, whether it needs updating, whether it is in the best possible location etc.

There is a further common problem of checklists containing requirements that are not relevant, prompting the inevitable 'N/A' mark which makes the exercise seem pointless to those involved.

In addition, if the questions are the same each month/cycle (even those that are directly relevant) then there is no doubt that a degree of complacency and boredom is going to set in. It's not surprising then that the checklist is 'ticked & flicked' without much thought or analysis, just to get the job done. When this attitude sets in, systems failures and 'accidents waiting to happen' are frequently missed.

Further, when the order or flow of the criteria being assessed is not the same as in the workplace, this often prompts a response of 'yeah, that was right' without walking back to actually check. Some workplaces have

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strategies in place to counter this by implementing a shifting schedule of areas inspected with different personnel leading the process.

When a standardised checklist is used by a range of personnel within the workplace, it's also important to ensure the checklist criteria mean and are interpreted the same way by all involved.

And then there's the critical question of what happens if something important has been missed simply because it is not on the checklist?

Even at an inspection level there is a need to 'think on your feet', consider high-risk and current topical issues, and check on the close-out of issues raised at previous inspections.

Finally, on a regular basis it's important to give the inspection checklist an overhaul, ensuring that the items that are being checked are actually still relevant and serve to control the workplace's risks.

Audit Checklists

Checklists (or prompt sheets) for audits are a different beast. With the wide range of criteria to be explored when auditing processes or management systems, the checklist serves as a reliable memory jogger. However, the same as for inspection checklists, the auditor needs to not have their 'blinkers on' and miss the big picture.

While trained auditors are skilled in extracting responses to assess the effectiveness of a process or management system, their checklist may be more focussed – for example it may use a more open style of question ('How is the operator's competency initially assessed?') which fosters an organic interaction with an auditee and leads to subsequent queries (e.g. 'How often are they re-assessed?') and further discussion about the process or system.

Auditors may even undertake pre-planning in an attempt to not appear to use a checklist when talking to workers, instead adopting a more conversational approach to encourage discussion about the risks in their workplace, and the controls in place to mitigate impacts. (This may even lead to 'Can you show me how that works?')

In conclusion, Inspection and Audit Checklists are a useful tool, but it's important to be wary of their limitations and pitfalls. Their use should not give confidence that 'all is well' every month, as such confidence would be superficial at best. Rather, the use of checklists should be the trigger for objective consideration of how are we performing, is the workplace safe, and could it be made safer?

Please contact QRMC for more information.

Managing Cyber Crime Risk

Cyber crime and the consequent need for cyber security is a business risk that's here to stay. It's not only a technology arms race, with security patches and protective software racing to keep up with the hackers' latest tricks; it's also a fundamentally human problem, in which the weakest link of an untrained or unwary employee can open the gate to disaster.

Managing the risk of cyber crime is as much about managing people as it is about systems and technology. While it's clearly critical to ensure software is up to date, data backup systems are reliable, firewalls are secure etc., all of this can be brought to nothing by a negligent or malicious employee.

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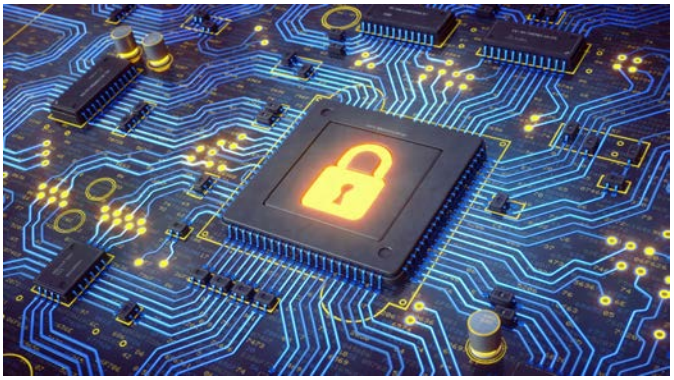
The bogey man of the malicious or disgruntled employee probably gets more nervous attention than is warranted however. In most instances, the employee ignorantly engaging in risky behaviour is much more common. Things like clicking on links or opening attachments in emails that look (with a passing glance) to be genuine; clicking on links and ads in dubious websites; using the same password in multiple online accounts; using public wi-fi with an insufficiently secured mobile device.

Oftentimes these undesirable behaviours are due to a lack of understanding about the organisation's security policies and processes. Not infrequently, they are due to the absence of such policies and processes, or a failure to regularly and clearly communicate them to personnel.

Developing effective risk management procedures, followed by implementing regular training and education is key to promoting good security awareness and behaviours that protect an organisation.



Reporting and sharing information with industry partners, suppliers and clients about cyber crime incidents and near misses is also a useful way to minimise the spread of new risks and strengthen security responses.

Please contact QRMC for more information.

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