

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.

Spring cleaning

Health and safety management systems emerged in the 1990s with WHS / OHS legislation, statutory, advisory and industry standards guiding what should be included.

At that time it was perceived that the best way to meet the legislative and standard requirements was to develop an array of Management System procedures and documents. As one might expect this created rather cumbersome document-heavy management systems that needed to be maintained.

Over the years Management Systems have typically become an amalgamation of legacy systems, with layer upon layer upon layer tacked on, as there was always a temptation to add more processes and layers in the attempt to improve safety and plug perceived holes.

Fast forward to today, and there are a growing number of academic and industry studies proving (perhaps what most of us thought deep down), that these layers of paperwork don't really add value to the core goal of improving safety ... and that some of it has simply become an institutionalised tick'n'flick exercise.

Ironically, it has been shown that the more layers of safety process or 'safety clutter' (as it has become known), the less effective the actual operational safety becomes. This experience can be explained by two key factors:

1. The more things you tell your workers to do the less space (figuratively and cognitively) they have to develop and 'own' their own safety; and
2. The more you tell them what to do the blurrier the lines become between the important stuff and the less important stuff (or in the safety space this could easily be correlated between the higher-risk important stuff and the lower risk stuff). Without the ability to differentiate the really important safety processes, safety processes overall get a bad rap and are de-valued. This decline in attitude toward safety becomes the norm and the tick-n-flick approach applied to everything from daily vehicle pre-use inspections to Confined Space permits.



There is obvious benefit to giving your safety management system a spring clean – decluttering the layers of stuff that have become a tick-n-flick processes that add very little value. And by 'de-cluttering' there is a golden opportunity to increase ownership, acceptance of safety responsibilities and foster communication. This in turn promotes compliance and better safety outcomes (as well as productivity).

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

The importance of internal auditing

At the recent AIHS 'Visions' Conference the Deputy Director General (DDG) of the Office of Industrial Relations (OIR), Craig Allen shared his concern regarding the comment made by Coroner McDougall within the Dreamworld Inquest Report, that "...there was an unjustified trust held by the Regulator as to the sufficiency of the safety and maintenance systems in place..."

The DDG indicated that the Regulator will now be working to have a 'justifiable level of trust' – not assuming anything about what is happening in safety management, but rather they will satisfy themselves that these things are happening.

Considering this, as we move toward thinking about the New Year, it will be important to ensure at an organisational level that there is an effective system of WHS compliance in place. Every Management System Standard (including ISO 45001) requires a process of assurance or internal auditing. In formal



terms, the purpose of this is to provide confidence that an organisation's governance and internal control processes are operating effectively.

The internal audit process achieves much more than just this confidence. It also provides:

- Part compliance watchdog – in that it provides an overview of the general level of legislative compliance or management system conformance. The internal audit process allows the organisation to scrutinise their system and check the level of compliance with the regulatory requirements before the external auditors do.
- Part education – in that the process drills down to analyse the systems and processes with all involved (including the auditor) receiving more understanding of the what, when and how things happen, and more importantly, the why.
- Part continual improvement – born from the fact that every non-conformance or OFI is a learning opportunity to strengthen or improve the management system processes.
- Part confidence builder – getting Management and staff comfortable and confident with the audit process for when an external auditor or regulator asks tough questions about how things work on the site.

A number of regulators nationally have used a **Three Lines of Defence** model adapted from the 'Three lines of Defence (3LoD) in Effective Risk Management' (which has been around since 2013 courtesy of the US-based Institute of Internal Auditors). This approach advocates that:

- Operational Managers (as the risk owners) are the first line of defence, responsible for controlling their own risks and promoting / monitoring compliance.
- The second line of defence is from functional area specialists (e.g. Safety, Engineering, Procurement, Contractor Management, etc.) who oversee and monitor conformance in their specialist discipline and seek opportunities for continual improvement.
- The third line of defence is from independent assurance via internal auditing, with its main role to ensure that the first two lines are operating effectively, and also to monitor compliance.

This 3LoD structure affirms that the responsibility for monitoring of compliance (inc. system conformance) sits with everyone within the organisation, not just with the internal auditor (paralleling the structure of the duties in the WHS Act).

[QRMC](#) can assist in developing assurance plans, structuring compliance requirements across the various levels of the organisation, or undertaking external audits to support the internal audit processes.

Holiday Wishes



This edition of Insight is the final for 2020. The first edition in the New Year will be issued in February 2021.

QRMC Risk Management Pty Ltd will be closing over the Christmas period, from close of business Friday 18 December, reopening Monday 4 January 2021.

QRMC wishes all our clients, supporters and readers a relaxing, happy and safe holiday season. We look forward to your company in the New Year!

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