

*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.

## The 'Audit Masquerade'

The term "audit masquerade" has emerged from the financial sector to describe the phenomenon where audits become choreographed performances of good news (or at the very least, not bad news) to mask the true picture of an organisation's performance. This practice undermines the benefit that can be gained from a truly independent audit process, and poses a risk to the organisation as it gives a false sense of security as to the real state of play in safety performance.

The masquerade can be prompted by a range of factors including Managers' and Supervisors' desire to be seen putting their best foot forward and not receive any 'red marks' on the audit report. This desire can become pressurised when the audit outcomes are tied to KPIs, performance evaluations, and even financial incentives. This Management focus can often foster an organisational culture of defensiveness, as embodied within a 'not me' response and a reflexive push-back when issues of concern are raised in an audit.

Another facet of the masquerade is the subtle 'creative accounting practices' when it comes to incident data and workplace risks; that is, applying exclusions to specific incidents to achieve a better frequency rate, or downplaying the seriousness of a safety risk so that it doesn't trigger Senior Management notification. Again, these are often connected to the pressure to achieve a KPI.



The repercussions of the audit masquerade impact on the workplace and the workforce as they come to believe their own spin, sitting comfortably within the outcome of the choreographed performance. But this 'warm and fuzzy' approach creates a false sense of security which belies the fact that in reality, there are hazards in the workplace that are unchecked, systems and processes that are not working, and risk exposures that are emerging. Additionally, corrective/preventative actions and potential funding to address the real health and safety issues and risks don't get identified as being required.

At the heart of the masquerade lies a failure to recognise the importance of the independent auditing process. Audits are ideal opportunities to address system gaps and failures BEFORE these result in a person getting injured, or worse. True leaders welcome an independent assessment of their system's functionality. They want to know the real picture.

The practices that contribute to the audit masquerade represent a major risk to an organisation, as it subverts and perverts the reality of workplace safety performance (and this risk is not commonly identified on risk registers). Only through concerted efforts to reinforce best practice auditing processes and the fostering of a culture of integrity, transparency and accountability can the truth emerge, and the organisation get full value out of the independent audit process.

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

## Updated WHS Consultation Arrangements Part 2

In the last edition of [Insight](#), we discussed the recent amendments to the *Queensland Work Health and Safety and Other Legislation Amendment Act 2024* (WHSOLA Act) and how the Queensland Government is taking a staged approach to the introduction of these changes. In [Part 1](#) we discussed which changes were taking effect from 20 May 2024. In Part 2 of this series, we will now focus on those changes taking effect later in the year.

From July 29, further amendments regarding consultation with workers and HSRs come into effect, including:

- Where consultation is to be carried out at the workplace: the PCBU *must* carry out the consultation at the time and place agreed to by the workers and HSRs.
- A PCBU *must* share relevant information with workers when carrying out consultation about a matter, but this does not require a PCBU to allow HSRs to have access to identifying personal or medical information about workers.
- A PCBU *must* inform workers in writing about:
  - their right to request the election of HSRs and establish work groups,
  - the role, powers and functions of HSRs and the process for electing them, and
  - who can represent workers during negotiations about work groups.
- A PCBU *must* invite workers to request the facilitation of an election for one or more HSRs.
- HSRs are now empowered to request and receive information concerning the health and safety of workers in the work group.
- HSRs are to be notified and can now accompany an entry permit holder (EPH) at the workplace where the EPH's reason for entry relates to the HSR's work group.
- In directing the cessation of work, a HSR *must* now issue the PCBU a written Cease Work Notice if attempts to resolve a WHS matter have failed. The PCBU *must* then direct workers to stop the work activity that is the subject of the Cease Work Notice. The HSR *must* display the Cease Work Notice in a prominent place for the workers of the work group.
- The timeframe for a PCBU to comply with a Provisional Improvement Notice (PIN) issued by a HSR will reduce from 8 days to 4 days. Further, the period for when a PCBU can ask WHSQ to appoint an Inspector to review a PIN will reduce to 3 days.



- HSRs can now choose their own Training Provider (so long as this Provider has been approved by WHSQ).
- WHS Committees *must* be established within 28 days after receiving a request from workers, and WHSQ can be asked by workers to intervene if the parties to the Committee cannot reach agreement on the Committee's constitution.

Lastly, the WHSOLA Act streamlines the issue and dispute resolution process by clarifying the role of inspectors, the Queensland Industrial Relations Commission (QIRC), and the standing of worker representatives. The anticipated benefit of this change is that where health and safety-related issues have not been able to be resolved within an organisation, the role of the QIRC will be to provide an efficient and timely resolution of matters brought before it.

Another key to effectively manage WHS consultation is utilising the same approach recommended by every Doctor around the country: "prevention is always better than cure". In other words, better WHS outcomes are achieved all round through the earlier engagement and proactive involvement of workers and HSRs, and through the demonstration of WHS consultation duties incumbent upon all parties under the Act and Regulation. This will help to manage identified issues quickly and for these to remain in-house rather than becoming larger, more antagonistic and external regulatory issues later in the process.

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