


**Executive compliance and board reporting**

*Nathan Cecil, Partner - National Transport Group*  
5 September 2017

HOLDING REDLICH


**Vertical compliance chain - current**



Board  
Organisation  
Operations

HOLDING REDLICH

**Vertical compliance chain – mid-2018**



Board  
Organisation  
Operations

HOLDING REDLICH

**Executive due diligence**

Taking reasonable steps to:

- Understand how to conduct transport activities safely
- Understand what/how transport activities are conducted
- Understand the hazards/risks involved
- Ensure that appropriate resources are engaged to help eliminate/minimise those hazards/risks

HOLDING REDLICH

**Executive due diligence (cont'd)**

- Ensure processes implemented to:
  - Eliminate/minimise those hazards/risks
  - Receive and consider information about those hazards/risks
  - Respond to that information
  - Comply with the organisation’s primary duty
- Check that the resources and processes are implemented, followed and effective in eliminating/minimising identified hazards/risks

HOLDING REDLICH

**‘Transport activities’**

- **Business practices** (policies, procedures, human resources, contract/contractor management, risk management)
- **Decision-making**
- **Operations** - consigning, scheduling, packing, managing loading/unloading, loading/unloading and receiving goods

HOLDING REDLICH

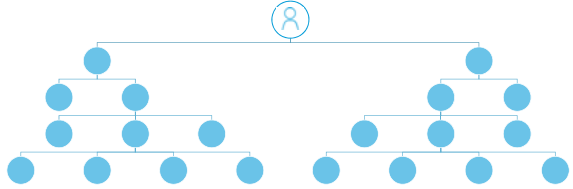


**Executive duties are**

- Extensive
- Substantive
- Personal
- Forward-looking
- Expensive to get wrong

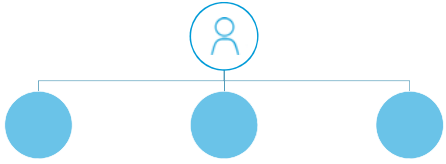
7 © Holding Redlich 2017

**The impact of organisational size/structure**



8 © Holding Redlich 2017

**The impact of organisational size/structure**



9 © Holding Redlich 2017

**CoR Executive reporting survey**

- 42% of respondents indicated that CoR compliance is **not** reported to the Executive
- A lot of hard breaches identified and reported, at an operational level. Not necessarily:
  - Reported to the Executive
  - Any detailed trend forecasting
- Limited reporting in relation to breaches/incidents occurring outside business but within supply chain

10 © Holding Redlich 2017

**Primary reporting metrics**  
MDLR, Speed, Fatigue, Maintenance

- Number of breaches and level (minor, substantial, severe, critical - **details**)
- Number of 'incidents' (near-misses, hazard interventions) and level (minor, substantial, severe, critical - **details**)
- Status of incidents (open/closed)

11 © Holding Redlich 2017

**Primary reporting metrics**  
Fatigue, Maintenance


- Fitness for duty checks and passes (number/%)
- Number of vehicles overdue for scheduled maintenance check (nil)
- Number of overdue non-scheduled service/maintenance requests (nil)

12 © Holding Redlich 2017

### Primary reporting metrics

Trend analysis


- CoR **elements** comparative figures (12 month rolling average):
  - number of breaches/'incidents' for mass, dimension, load restraint, speed, fatigue, maintenance
- CoR **parties** comparative figures (12 month rolling average):
  - number of breaches/'incidents' for each of you, supplier, carrier, 3PL, customer (if too many, 5/10 'most wanted')

© Holding Redlich 2017 

### Secondary reporting metrics


General

- CoR policy distribution % (100%)
- CoR awareness training % (100%)
- CoR compliance assurance conditions in contracts % (100%)
- CoR incident resolution close-out %

© Holding Redlich 2017 


### Timeliness and elasticity

- Monthly/quarterly
- Responsiveness in reporting

© Holding Redlich 2017 



### Contact



**Nathan Cecil**  
 Partner, Transport team  
 T 02 8083 0429  
 E Nathan.Cecil@holdingredlich.com

© Holding Redlich 2017 