Better Regulation Victoria

Implementing 'Better Practice' Inspections

A Playbook for regulators to design and optimise compliance monitoring inspections to become digitally ready

Part B: Design and implement

VICTORIA State Government

This Playbook has three parts

1

Overview of this Playbook

This section outlines the context for this Playbook, its purpose, the benefits it will provide and how to use it to adopt 'better practice' compliance monitoring inspections in preparation for digital reform.

2

Part A: Review the foundations of your compliance monitoring practice

Primarily for executives and managers responsible for strategy and compliance operations – Consider your regulatory approach, inspection mix and enablers to establish a baseline understanding. Use this to inform and support better practice compliance monitoring inspections.

3

Part B: Designing better practice compliance monitoring inspection processes

Primarily for managers and reform officers responsible for reform and compliance operations – Assess your compliance monitoring inspection processes against 'better practice'. Use this section and the tools provided to identify and implement opportunities to move towards better practice to prepare for digital reform.

This Playbook discusses 'better practice' compliance monitoring inspections in two parts

OVERVIEW

Use this Playbook to implement 'better practice' compliance monitoring inspections...

WHAT	WHY	HOW
This Playbook outlines how to design and implement 'better practice' compliance monitoring inspections to guide you towards digital readiness.	Better practice results in a well-regulated environment with more effective regulation and more efficient use of resources.	Use both Part A and Part B of this Playbook to review your foundations and compare your current processes to 'better practice'.

PART A

by reviewing the foundations that underpin 'better practice'...

- Understand your **regulatory approach**
- Consider related **activities and functions**
- Reflect on your strategic **inspection mix**
- Enable **continuous improvement**
- Consider your **strategic resource allocation**
- Review your **data and intelligence practices** to inform risk analysis
- Review your **digital systems and tools**

PART B

and comparing your current processes with 'better practice' to determine areas for improvement.

UPSTREAM INTELLIGENCE INPUTS

- Permissions and conditions
- Complaints and referrals
- Reporting and analysis
- Entity profile including past compliance
- Regulated entity notifications & reporting
- Industry notifications

BETTER PRACTICE INSPECTION PROCESS

INSPECTION ACTIVITIES

TRIGGER AND FOCUS | PLAN | CONDUCT | RECORD AND ASSESS | CLOSE OUT

COVERED IN PART B

DOWNSTREAM ACTIONS

- Remedial enforcement
- Investigations
- Sanctions

Contents

Review better practice inspection processes to set up for digital reform

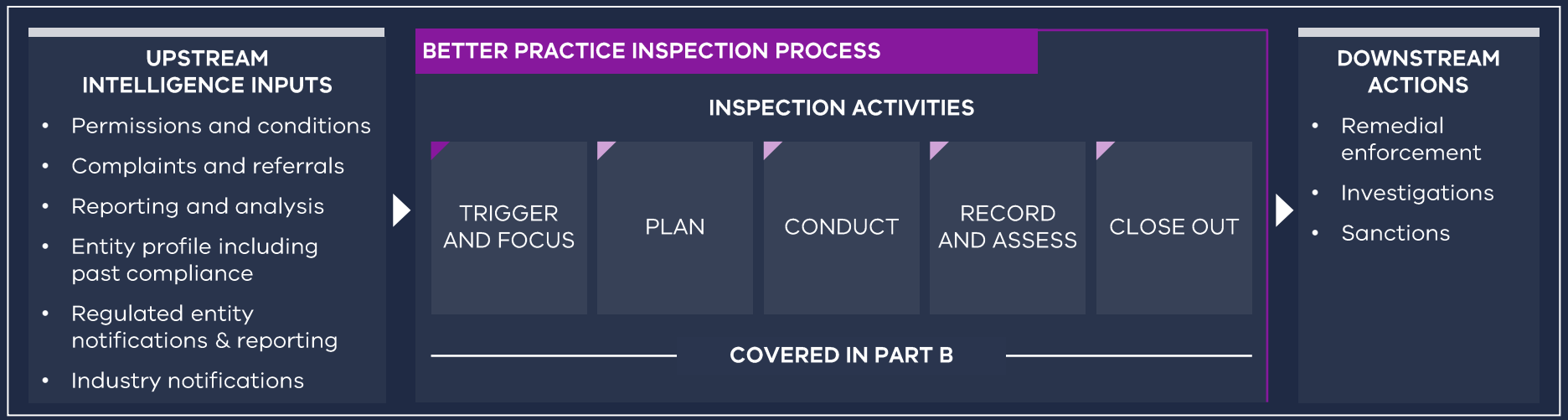
Part B of this Playbook outlines the better practice inspection processes and can be used to identify tangible actions to improve your inspection processes to prepare for digitisation. This Playbook will help you to identify opportunities to administer inspection processes more effectively and efficiently, and ensure you have good practices in place that are ready to be digitised.

This section outlines better practice through a step-by-step guide, going from what triggers an inspection to closing it out. You should come into Part B after reviewing Part A.

You should also be clear on the inspection powers and tools specified in the legislation you administer and how they are to be used.

Consider your inspections as part of the broader end-to-end compliance and enforcement process. Upstream activities will provide intelligence that triggers and guides inspections (see Part B 'Trigger and Focus'). Downstream actions will be informed by the information collected during inspections and the decision as to which responsive action will be taken.

Although Part B will focus on infield inspections, you should consider how better practice considerations can be applied to all inspection processes (such as those conducted via desktop or remotely) and broader regulatory functions (such as investigations, enforcement etc).



Note: Part B of this Playbook focuses on infield inspections, however the better practice inspection process can be applied to desktop or remote inspections

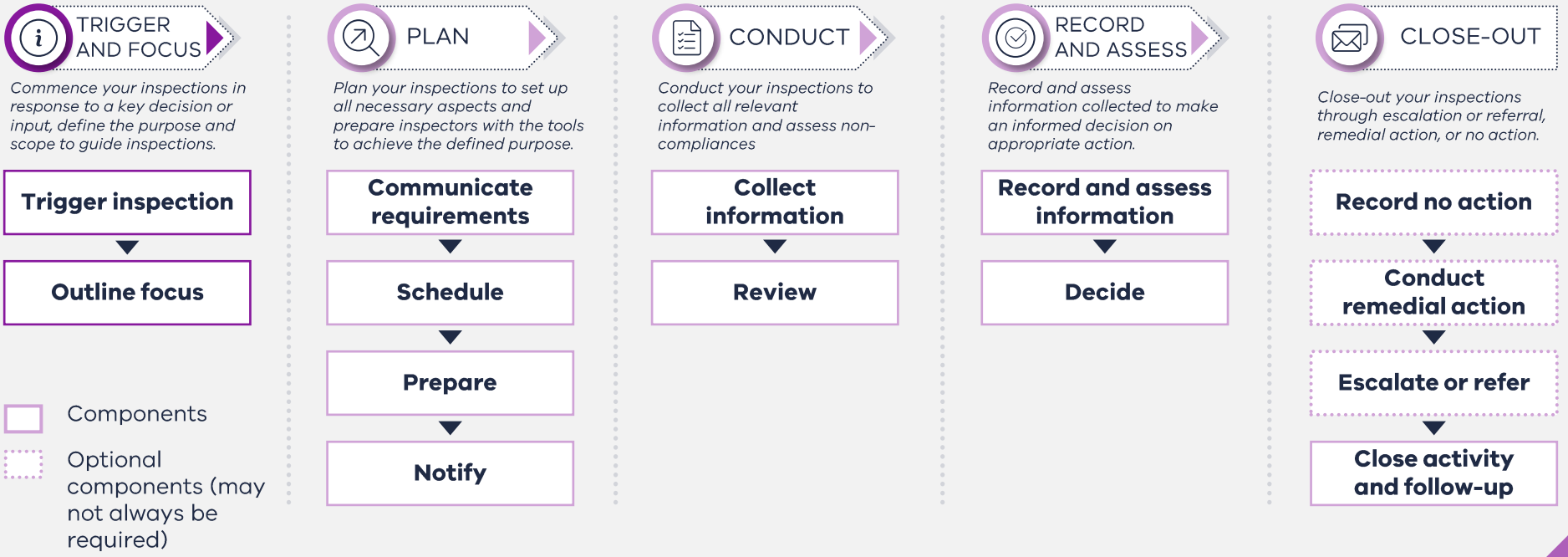
Overview of the better practice inspection process

The better practice inspection process has five defined stages: Trigger and Focus, Plan, Conduct, Record and Assess, and Close-out.

Each inspection stage is made up of 'components' which represent common activities or processes that are conducted by regulators. This Playbook breaks down each component to describe what 'Better Practice' looks like. Assess components that are relevant to your regulatory context, to identify priority areas for improvement, noting not all components or stages might be relevant to your inspections process, and some stages might be conducted at the same time, such as record and assess and close-out.

You can use the 'Better Practice' checklist format in the following slides to assess your current processes.

Not all components or considerations will be relevant to your inspections process, focus on the aspects that are most useful in your context.



Considerations for the better practice inspection process

Part B of this Playbook details the end-to-end better practice inspection process, which can be used to guide tangible actions to improve and then digitise priority components or the end-to-end process.

Considerations for better practice inspections process

- Each 'component' will use checklists to help you to identify opportunities to administer inspections more effectively and efficiently, by embedding good inspection practices that are ready to be digitised.
- Components may also outline digital considerations to identify opportunities to incorporate digital solutions.
- Not all components or stages might be relevant to your inspections process, so focus on the parts that are most relevant for you.
- The better practice inspections process should be reviewed alongside other factors that might enable or constrain your inspection such as legislative requirements or your existing digital capabilities.
    - Before you digitise, define your legal requirements and consider where you can innovate in the design of activities and key regulatory instruments.
- The 'inputs' and 'outputs' will link components through information and products. Use these to consider how workflows can be digitised and automated.

Inspections can be made of common and configurable digital components

Inspections can be broken into 'common' and 'configurable' components.

Common components will have processes and collect information consistent across regulators. This allows for common components to be copied and easily incorporated into digital workflows when using the same systems.

Configurable components can also have consistent processes but require varying information fields. These components will need to be tailored to your processes as needed.

This can help you to identify where data should be consistent with other regulators and where there is expected to be variation.

COMMON COMPONENTS

Standardised process / standardised information

For example, the same process and information (i.e., name, email address) is required to notify an inspector.

CONFIGURABLE COMPONENTS

Standardised process / variable information

For example, assessing non-compliances may follow a standard process, but will require varied information for different regulators.

Trigger an inspection and define focus

Trigger and Focus overview

Commence your inspections in response to a key decision or input, define the purpose and scope to guide inspections.

Trigger and focus includes two components:

1 **TRIGGER** ▶ 2 **FOCUS**

See the following slides for each component in this stage. Review the relevant components and process map for better practice and digital considerations.

Considerations before implementing better practice

What are your sources of information, when will these prompt a responsive inspection, or inform a need for strategic or maintenance inspections (see Part A)?

What are the factors and scenarios that will justify the use of inspections over other monitoring activities?

What are the factors that will influence the purpose and scope of inspection? How do you communicate this to inspectors?

Does your regulatory strategy and approach indicate a preference for more educative or directive inspections? When might you be more educative or directive?

Provided tools, examples and supporting information

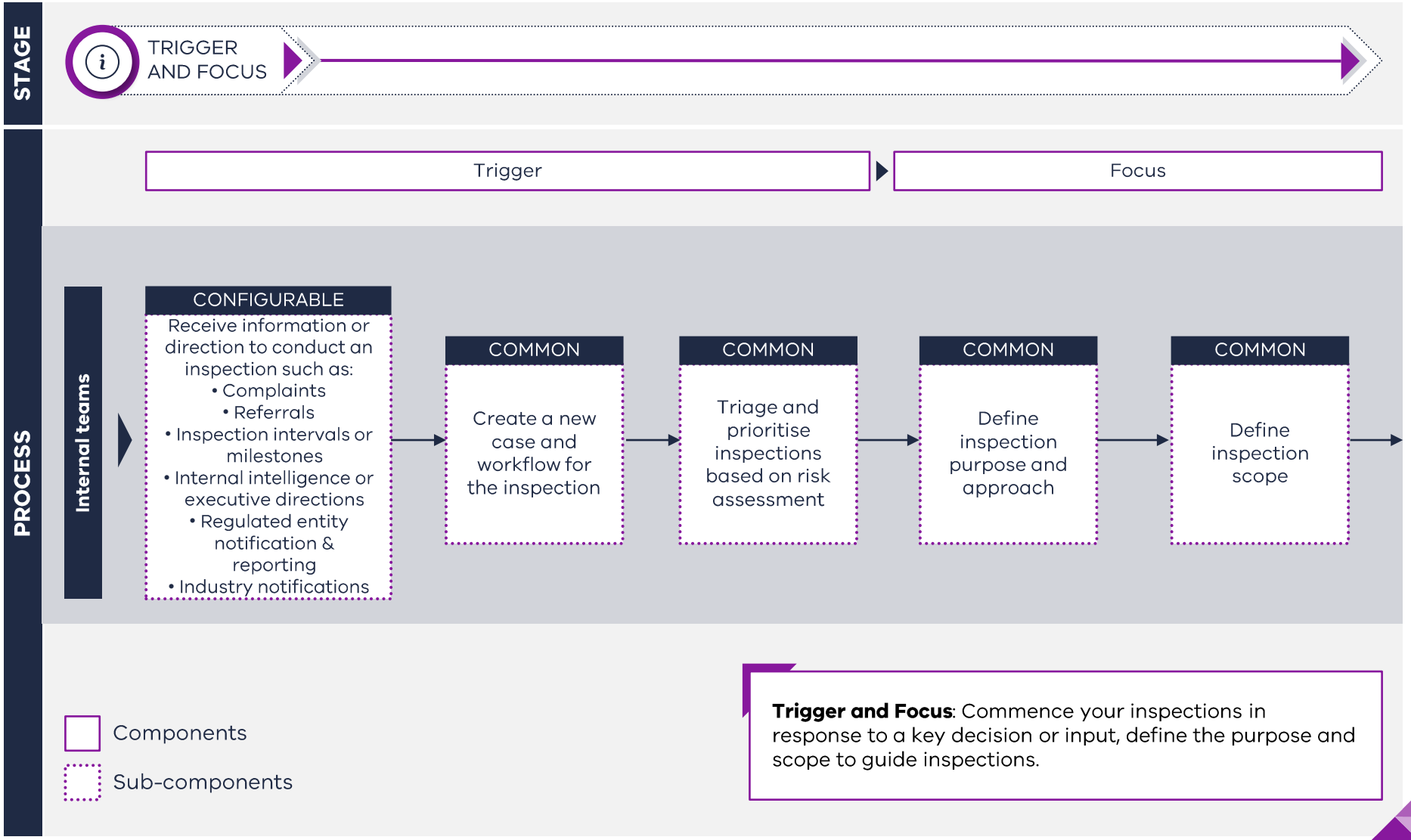
TRIGGER

An example guidance tool to define rules to consistently use inputs to trigger responsive inspections, See Tool 3

Look for this icon for digital considerations and opportunities to incorporate digital solutions into your practices.

Better Practice Inspection Process | **Trigger and Focus**

TRIGGER AND FOCUS | PLAN | CONDUCT | RECORD AND ASSESS | CLOSE-OUT



Trigger and Focus: Commence your inspections in response to a key decision or input, define the purpose and scope to guide inspections.

This stage may be automated with a digital process and well-defined business rules. This stage will establish and guide the inspection process.

Trigger | Using information to commence inspections

Inspections will be **prompted by information or a direction**. This '**trigger**' will begin the inspection process. 'Better practice' for this component involves having a clear view of how inspections are triggered and used to inform what the inspection focuses on. Regulators can use this Playbook to reflect on what triggers an inspection and formalise rules and guidance on what type of inspection follows.

Inspections will be triggered differently depending on the type of inspection

Strategic inspections might be triggered as part of a targeted campaign or blitz. Analysis of intelligence inputs, direction from senior leaders or an assessment of risk will identify specific priority issues/industries/cohorts. This should be determined at the operational level through business rules as outlined in Part A.

Maintenance inspections might be triggered by milestones as part of an agreed program, process or routine of inspections, (e.g., a schedule that entities under a certain licence will be inspected at regular intervals, or to confirm non-compliance has been resolved following a previous remedial action). This should be determined at the operational level through business rules as outlined in Part A.

Responsive inspections might be triggered by an indication of non-compliance or response (e.g. a specific complaint against an entity, or a referral from another regulator.) Regulators should develop rules or guidance on when a responsive inspection is required as a result of a trigger. Tool 3 considers how complaints and referrals may 'justify' and therefore trigger an inspection. The tool uses three lenses (see appendices) and operational considerations (e.g., to assist an ongoing investigation) to define 'justifications' (triggers).

Note: The overall inspection program, including the mix of inspection types, specific priority areas of focus and the number of inspections will be determined as part of strategic and operational planning.

An inspection can be triggered by various sources of information

Regulators should have a clear view of the different sources of information that trigger an inspection or program of inspections. You can provide guidance or rules to support a consistent view across your organisation. These are elaborated on the following slide.

Tool 3 provides an example of a consistent view by first considering whether information provides a clear rationale, sought outcome and an objective within the remit of the regulator, to trigger a responsive inspection from information inputs.

Risk triage

Rules and guidance for what type of inspection follows a trigger and when can be based on an assessment of risk as discussed in Part A. A risk assessment will help to prioritise inspections based on level of risk, with higher risk or time-sensitive items being prioritised.

Tool 3: Regulators may outline standard rationale to trigger responsive inspections from inputs. Tool 3 provides an example of this to support regulators define these rules in response to complaints and referrals, See Tool 3.

Trigger | When is an inspection 'triggered' from a digital system perspective?

Inspections can be triggered by different inputs.

Some common inputs include:

- Complaints or community reports
- Reporting & notifications
- Permissions and conditions
- Intelligence & Data.

Complaints or community reports

An inspection or desktop action in response to a report of non-compliance by the community or an affected person, can be a powerful and important way to address non-compliance. However, there can be issues in making timely and effective responses, particularly when the event has passed. Regulators need to consider what role a field response can have, when it would be useful, and when responses have an enforcement or more 'supportive' purpose. In many cases, complaints and reports cannot always be supported by a field response, and may need to be treated as a source of intelligence or trigger for a desktop response.

When considering the design of digital systems, you may need to account for how you can build forms and processes that enable referrals from complaints into work orders for field or other responses, with suitable data capture and notes to inform the response.

However, not all inputs are triggers

Not all inputs directly lead to an inspection or trigger an inspection 'case' to be managed in your system. When designing your system, you should be conscious of which inputs will directly trigger an inspection and which are used for building intelligence, refining your maintenance inspection program or developing a strategic compliance program. Being clear on what inputs will generally trigger an inspection is important to consider as it affects the design of your digital system.

Consider what information or data you ask from your regulated entities, how you use it, and your business rules for when an inspection may be triggered.

- What information do you collect that would generally be a source that directly triggers an inspection (e.g. a report on a harmful safety incident)?
- What information is collected for intelligence building purposes, and when might this information trigger an inspection (e.g. a report on a 'near miss' safety incident)

Reporting & notifications

Licensed or registered parties - or others subject to regulations - may be required to report to the regulator, such as when an event or accident occurs. The regulator will need to consciously consider whether it sees the purpose of these reports as a direct trigger for a field response, or to act as a source of data and intelligence, or to reinforce regulated entity obligations to address sources of non-compliances.

Digital systems may need to capture data, build intelligence, and trigger work orders or responses, depending on the situation.

Trigger

DESCRIPTION

For every inspection there will be information, a decision, or an indicator that commences the inspection process. This is referred to as the 'trigger'. The trigger will inform the focus of inspections and begin the inspection workflow in digital systems.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **You have clear processes and practices** in place for commencing **strategic** inspections, supported by tools for inspectors. Intelligence informs the need and priority of strategic inspection programs, and you use this intelligence to provide the evidence base to support your inspection program. Your data management practices support strategic decision making as in Part A.
- ❑ **You have outlined the milestones and indicators** for commencing **maintenance** inspections, linked to an entity, conduct, or cohort. For instance, you may trigger inspections when a building reaches a particular construction phase, or based on time since a licence was issued.
- ❑ **You have developed guidance and rules** for when information inputs trigger a **responsive** inspection. This might include consideration of when an inspection would be a more effective or efficient response to information inputs over other actions (such as warning letter, proceeding directly to an investigation, etc). This might also include situations where it is not appropriate or feasible for the regulator to undertake an inspection or other actions, but the information provided may be included in the regulator's intelligence building, for example where other regulators or programs are already targeting the issue or where the issue does not meet the criteria for an inspection (such as not being a strategic priority or does not meet the risk threshold).
- ❑ **You have developed rules** for risk assessment, this may assign a risk level to inspections or triage cases by priority.

Consider how intelligence, complaints and referrals are **received and integrated into systems to trigger inspections.** Work with your co-regulators to **develop shared taxonomies and data categories** to improve referrals and support digital processes.

INPUTS

- Information or direction that commences an inspection
- Inspection type (Maintenance, Strategic or Responsive)

OUTPUTS

- Open inspection process in case management system(s), with risk level

Tool 3 – Triggering inspections from complaints and referrals

This tool provides guidance and examples on when an inspection should occur following a complaint or referral, leveraging all relevant information.

PURPOSE

Regulators should consider multiple input sources to inform whether to commence an inspection or not. This includes viewing information through three lenses (see appendices) and accounting for organisational considerations. A better practice approach to assessing all available information and determining whether an inspection is required involves having a clear view of the 'justifications' that trigger an inspection. Developing a consistent approach will ensure that inspections are conducted consistently and are well-justified.

HOW IT WORKS

This tool provides material to support regulators develop guidance and rules for when an inspection should be conducted in response to a complaint or referral. Included is:

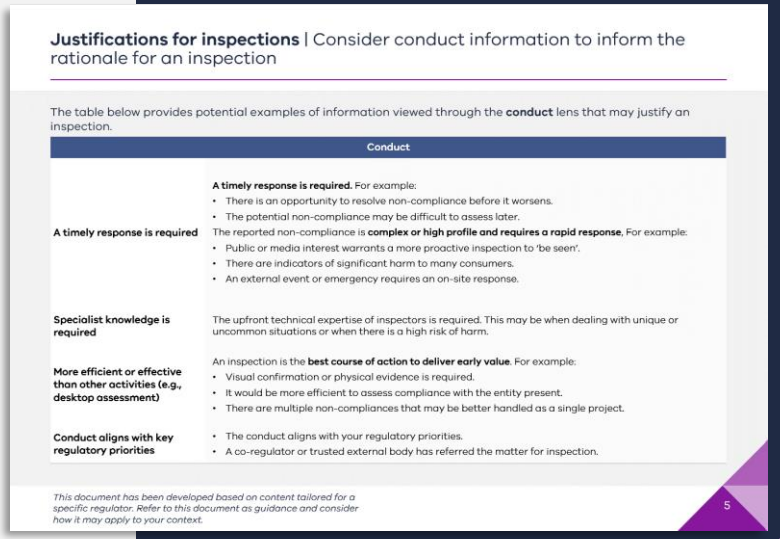
- An overview of the tool and types of inspection
- The three lenses of information to consider to provide the rationale for an inspection
- Example information inputs that may justify an inspection.

Regulators should view this as a reference to develop their own business rules and documents in line with better practice.

To access this tool, please visit the Better Regulation Victoria website

A tool for triggering inspections

The table below is an example of the guidance material provided in the tool. This table provides indicative information types that may justify an inspection. You can consider how these examples apply to your specific context and use them as inspiration to develop your own business rules.



Justifications for inspections | Consider conduct information to inform the rationale for an inspection

The table below provides potential examples of information viewed through the **conduct** lens that may justify an inspection.

	Conduct
A timely response is required	**A timely response is required.** For example: • There is an opportunity to resolve non-compliance before it worsens. • The potential non-compliance may be difficult to assess later. The reported non-compliance is **complex or high profile and requires a rapid response.** For example: • Public or media interest warrants a more proactive inspection to 'be seen'. • There are indicators of significant harm to many consumers. • An external event or emergency requires an on-site response.
Specialist knowledge is required	The upfront technical expertise of inspectors is required. This may be when dealing with unique or uncommon situations or when there is a high risk of harm.
More efficient or effective than other activities (e.g., desktop assessment)	An inspection is the **best course of action to deliver early value.** For example: • Visual confirmation or physical evidence is required. • It would be more efficient to assess compliance with the entity present. • There are multiple non-compliances that may be better handled as a single project.
Conduct aligns with key regulatory priorities	• The conduct aligns with your regulatory priorities. • A co-regulator or trusted external body has referred the matter for inspection.

This document has been developed based on content tailored for a specific regulator. Refer to this document as guidance and consider how it may apply to your context.

5

Focus | Define the purpose and approach of compliance inspections

Focus is made up of three concepts: **Purpose, Inspection approach** and **Scope**. Define the purpose and inspection approach clearly to narrow the scope of your inspections, more **effectively target risk** and **efficiently use resources**.

Clarify purpose of inspection ▶ **Determine inspection approach** ▶ **Define inspection scope**

Inspection purpose is the 'why' for conducting an inspection

The purpose explains why an inspection is being conducted and the desired outcome. The inspection's purpose should be deliberate and aligned with the objective(s) of the inspection. The purpose of the inspection will be influenced by the type of inspection and the trigger.

The purpose of inspections, along with the scope, should be clear to the inspector to guide decision-making. A clear purpose will support inspectors achieve desired outcomes and tailor their approach to focus their efforts on what matters.

Developing clear guidance for consistently selecting and communicating inspection purpose will support the use of targeted, outcome-focused inspections.

Inspection approach guides the way in which an inspection is conducted

Inspection approach will inform how an inspector uses their tools and powers to achieve the inspection purpose and respond to non-compliance. An inspection approach may be more **educative or directive** and will be informed by your regulatory posture (see appendices), the entity's history of non-compliance, and the risk of harm, in addition to any regulator-specific factors.

Consider how you support the determination of an inspection approach and how this might affect the scope and responsive actions of inspections.

INSPECTION APPROACH

Focus | Define the purpose and approach of compliance inspections

The scope refers to 'what' is being looked at during the inspection

Where possible, inspectors should focus their efforts on a refined scope. Scope should be narrowed appropriately to maximise the effectiveness of the inspection process while fulfilling the purpose and collecting all required information. Directing effort on a refined scope will allow inspectors to better target priority non-compliance(s) and use resources more efficiently to prevent harm. Inspectors should be empowered to use their discretion and be provided with guidance to expand the scope when needed.

The **breadth of scope** will differ based on the inspection type, purpose and approach. As outlined in the image below, responsive and strategic inspections tend to focus on specific non-compliances with a narrower scope, while maintenance inspections can vary from broad to narrow scopes.

Develop guidance to support inspectors or decision makers determine the appropriate scope of an inspection. This will support a more consistent application of scope, and ensure more effective use of your inspection resources.

Support inspectors to focus efforts

Inspectors should be empowered to focus their efforts on what matters, and given the guidance to expand the scope when additional high-risk non-compliances are identified.

During inspections, inspectors will often identify non-compliances or concerns outside the initial scope of an inspection. Inspectors need to be clear on how to approach these additional non-compliances and tools should be flexible enough to account for these. Inspectors should be empowered to use their discretion in these circumstances and supported by guidance. This is also discussed in the 'review' stage.

Inspectors should be encouraged to put less effort towards low-risk non-compliances to focus effort on higher risk, priority issues.

Focus

DESCRIPTION

Define the focus of inspections to target inspector efforts. Guidance should be provided to support internal teams justify why an inspection is being conducted (*purpose*) and outline the information that should be collected during the inspection (*scope*).

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **You have developed guidance for inspectors or decisions makers to clarify the purpose** of an inspection**,** distinguishing between strategic, maintenance, and responsive inspections.
- ❑ **You have developed guidance on defining an inspection approach to guide how an inspection should be conducted.** Guidance considers factors such as compliance history, the risk of harm, maturity of the regulated entity and inputs from intelligence. For instance, an inspector might take an educational approach when inspecting a new business, but be more directive for a business with repeated compliance failures.
- ❑ **You have developed guidance for inspectors or decisions makers to clarify the scope** of inspections considering the type, purpose and approach of inspections.
- ❑ **You have structured processes or guidance on how to balance** inspection scope, focusing on what matters most. For example, inspectors may exercise discretion in spending minimal time on low-risk issues while expanding efforts on higher-risk non-compliances, even if they fall outside the initial scope.

INPUTS

- Inspection type
- Trigger and information from sources

OUTPUTS

- Inspection purpose, approach and scope

Plan your inspection

Plan your inspection overview

Plan your inspections to set up all necessary aspects and prepare inspectors with the tools to achieve the defined purpose.

Plan includes four components:

1. **COMMUNICATE REQUIREMENTS**
2. **SCHEDULE**
3. **PREPARE**
4. **NOTIFY**

See the following slides for each component in this stage. Review the relevant components and process map for better practice and digital considerations.

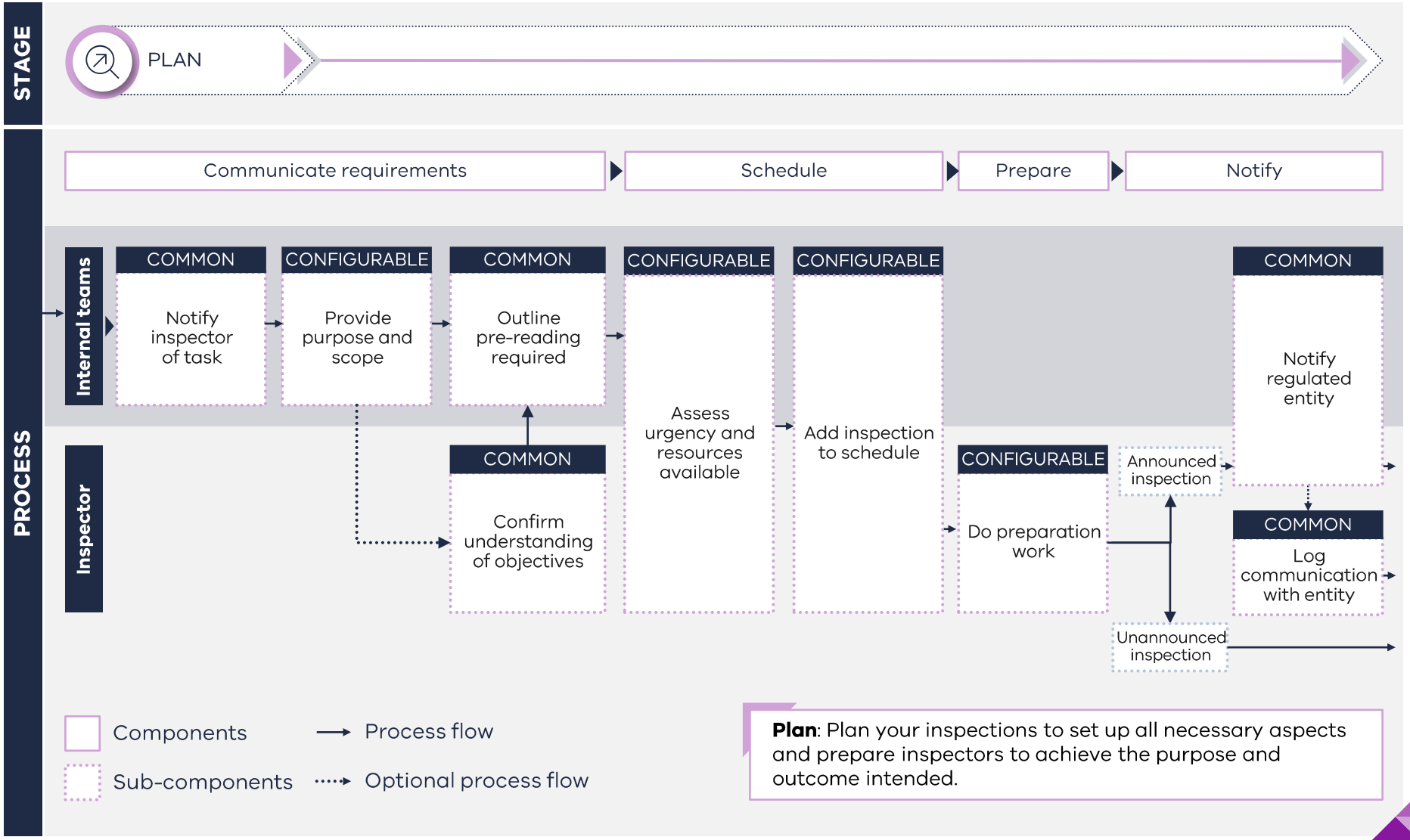
Considerations before implementing better practice

- What information do inspectors need to conduct focused inspections that address the risks of harm and optimise outcomes?
- What are inputs that may affect who can conduct an inspection, in terms of timing, location, and capability requirements?
- What is your approach to providing notification and information to regulated entities who are to be inspected?
- What are the objectives and indicators to measure inspection outcomes?

Look for this icon for digital considerations and opportunities to incorporate digital solutions into your practices.

Better Practice Inspection Process | **Plan**

TRIGGER AND FOCUS | **PLAN** | CONDUCT | RECORD AND ASSESS | CLOSE-OUT



Plan: Plan your inspections to set up all necessary aspects and prepare inspectors to achieve the purpose and outcome intended.

You may not need all sub-components. This process should be tailored to your unique needs and inspection process. A digitised process might automate this stage if business rules are met.

Communicate requirements

DESCRIPTION

Notify the inspector of the inspection and communicate the purpose of the inspection. Provide guidance on what is and is not within the scope of the inspection. Inspectors should also be clear on their responsibilities, any limits to their remit and powers, and performance indicators. This component will begin the role and workflow for inspectors.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **You communicate the purpose and scope of inspections**. This could be part of a standardised briefing process to ensure consistent communication. For example, a 'scope statement', which includes a short text summary that details the purpose and scope of an inspection can be provided to inspectors as a consistent way to convey why they are conducting this inspection and what they are looking for.
    - ❑ You might outline the scope for inspectors or provide inspectors with the guidance and training to define the scope based on the inspection purpose. **This will not be required in situations where the inspectors has set the purpose and scope of the inspection.**
- ❑ **You develop guidance that outlines the responsibilities and boundaries** for the inspector and expectations on making decisions/judgements. This can help improve the consistency of your inspections. This could include how inspectors should respond to out-of-scope non-compliances, or guidance on when/how they should make decisions or escalate matters.
- ❑ Inspectors provide **confirmation of their understanding** and ability to complete inspections.

Inspectors can view the purpose, scope and objectives throughout the inspection as needed through in-field tools and/or a central database. (For example, the inspector might have the reference material on a tablet or device to access on-site).

INPUTS

- Scope and purpose of the inspection to guide what is required

OUTPUTS

- A notification of purpose and scope, and performance indicators for inspectors

Schedule

DESCRIPTION

Optimise the timing of your inspections to improve efficiency. Inspections may be guided by inspectors and scheduled in accordance with their availability, the anticipated time taken for inspections, priority status, and the scope and purpose of the inspection.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **You know your inspectors and their capabilities**, and this knowledge informs how you assign inspections to maximise effectiveness and efficiency.
- ❑ You have rules of thumb in place to determine **reasonable timelines for inspections which you have established with inspectors**. These may consider the purpose and scope of the inspection, the resources available, and the level of urgency.
- ❑ You provide **guidance material to support** inspectors/managers to make educated scheduling decisions. This can lead to more efficient and consistent resourcing, and better regulatory outcomes from more targeted scheduling.
    - ❑ Inspectors/managers may assess urgency and **consider the trade-off between addressing high-risk items and the time/resources required** to monitor and enforce compliance.
    - ❑ Inspectors/managers are given a broader view on resources, such as tools or equipment, when scheduling.

Where available, inspectors/managers use digital scheduling and resourcing systems to understand the availability and future forecast of inspectors and other staff. This should ideally be accessible by your inspectors at any location, with functionality to give live updates, notify of changes, and flag scheduling concerns where possible.

INPUTS

- Availability and capability of inspectors and resources
- Guidance on scheduling decisions

OUTPUTS

- Inspection added to internal work schedule

Prepare

DESCRIPTION

Set up inspectors with all the information and tools they require to complete the inspection. Inspectors should complete any necessary pre-reading or preparation, such as a review of entity compliance history or a refresh on workplace health and safety.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **You outline all required preparation work** to your inspectors. This creates clear expectations, and may form part of your purpose and scope communication. Where relevant, you could have a standardised equipment check for inspectors. This can cover both physical in-field tools and digital resources.
    - ❑ You could provide for a structured pre-inspection preparation period. This could be used to allow inspectors the necessary time to complete the required pre-inspection preparation.
- ❑ You **outline your expectations** of inspector's on-site conduct and **communicate any potential safety concerns**. This could include general concerns, and those specific to the entity, conduct, premise or environment.
- ❑ **You summarise information** about regulated entities from multiple sources.
- ❑ Inspectors are provided with **inspection recording tools** (e.g. a checklist or smart form) to guide their inspection and the information collected, tailored to the scope and focus of the inspection.

Information can be provided to inspectors digitally through a case management system, or a dashboard. Consider how digital tools could be used to enable inspectors to access all relevant information on-site. This may involve connecting physical in-field tools (e.g., computers, smartphones etc) to a central database.

INPUTS

- List of required information for preparation, including entity data, regulatory updates, and inspection scope and purpose

OUTPUTS

- Expectations and safety considerations for inspectors
- Inspection reporting tool (e.g., checklist)

Notify

DESCRIPTION

Notify regulated entities that an inspection has been scheduled (this will not apply for unannounced inspections). This could be conducted by the inspector or internal teams. Provide information to the regulated entity of the time, location, and purpose of inspection where appropriate.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **Inspectors confirm details** such as time, location, and any other relevant details for their inspection, both internally and with the regulated entity where relevant.
- ❑ When appropriate in your context*:
  - ❑ Inspectors inform the regulated entity of inspection within the required notice period and, where possible, obtain confirmation of their availability.
  - ❑ Inspectors notify the regulated entity of the time and purpose of the inspection and clarify how the inspector will identify themselves. Inspectors may log communications between them and the entity.
  - ❑ Inspectors outline what is expected from the regulated entity before, during and after the inspection. Inspectors could conduct this as a pre-inspection briefing, and provide clear guidance.

Consider how inspectors can use digital forms of communication to support timely and secure notifications. Automated text or email reminders can be used to streamline communication and confirm attendance. The regulated entity could view information about their upcoming inspection and know what to expect through a digital portal.

INPUTS

- Entity contact details and inspection schedules
- Legal or internal policy guidance or requirements for notification timelines

OUTPUTS

- Log of pre-inspection communications

*Note: It may not be applicable to notify regulated entities, such as for unannounced inspections. Ensure that you meet legislative requirements in regard to conduct and notification.

Conduct the inspection

Conduct overview

Conduct your inspections to collect all relevant information and assess non-compliances and decide the appropriate response.

Conduct includes two components:

1 **COLLECT INFORMATION** ▶ 2 **REVIEW**

See the following slides for each component in this stage. Review the relevant components and process map for better practice and digital considerations.

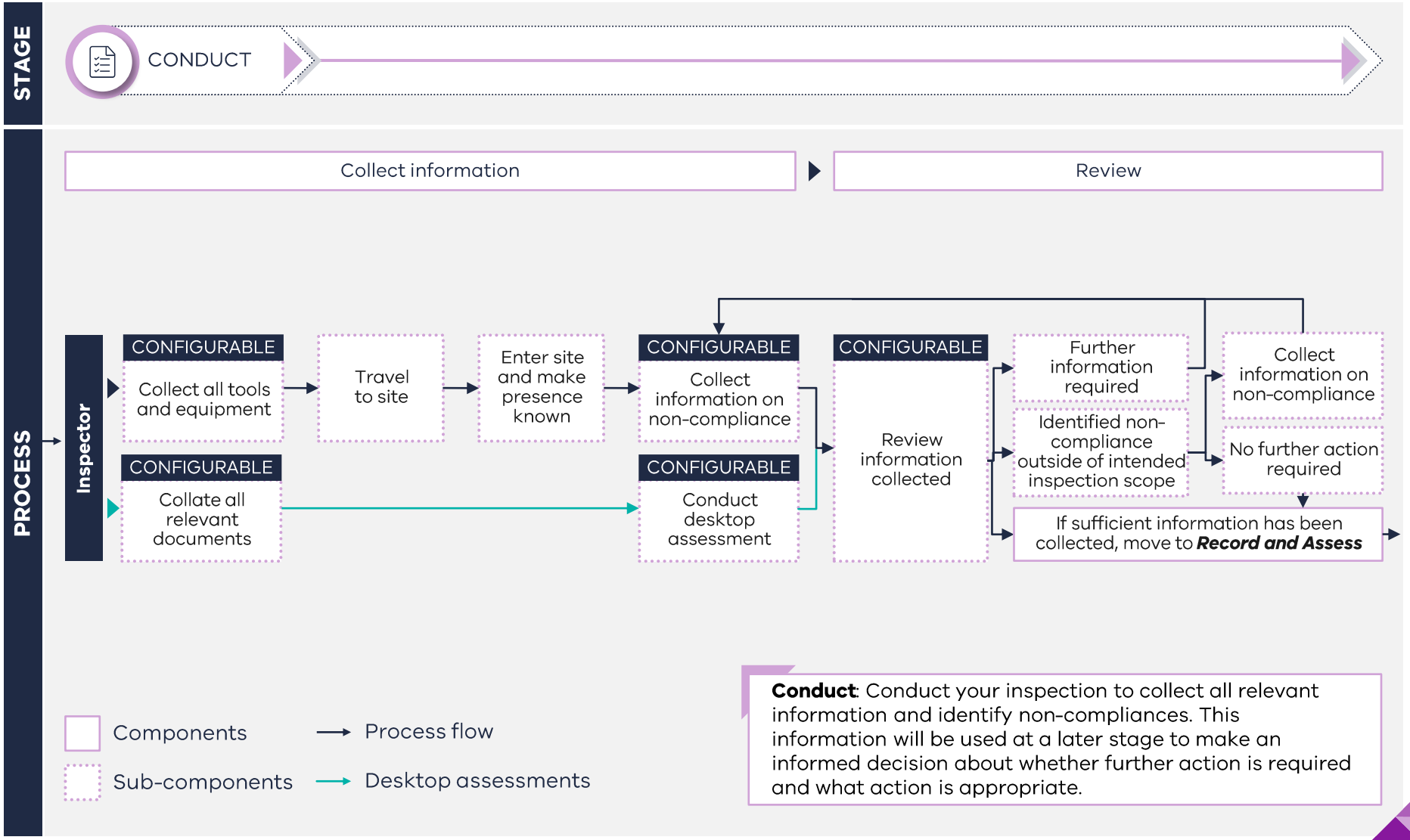
Considerations before implementing better practice

What information is required to be collected during the inspection to satisfy the purpose and scope of the inspection?	What information is required for inspectors to make an inspection outcome decision(s) to inform the appropriate response.
Are there any additional non-compliances commonly associated with this purpose and scope? Are inspectors aware of how to respond to non-compliances beyond inspection purpose and scope?	Is there any additional information that should be collected, to inform broader intelligence or respond to current strategic priorities?

Look for this icon for digital considerations and opportunities to incorporate digital solutions into your practices.

Better Practice Inspection Process | **Conduct**

TRIGGER AND FOCUS → PLAN → CONDUCT → RECORD AND ASSESS → CLOSE-OUT



Conduct: Conduct your inspection to collect all relevant information and identify non-compliances. This information will be used at a later stage to make an informed decision about whether further action is required and what action is appropriate.

You may not need all sub-components. This process should be tailored to your unique needs and inspection process.
Note that at this stage inspectors may make on-the spot assessments of risk.

Collect information

DESCRIPTION

Gather all relevant information during the inspection as guided by the purpose and scope of the inspection. Collect all information required to inform inspection outcomes decisions and the appropriate response.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ You establish **consistent procedures and guidelines** for collecting inspection data, tailored to different inspection scopes and purposes to focus inspector efforts.
  - ❑ Procedures and guidelines should **support effective data management practices** (as discussed in Part A) by using data categories that are consistent across your organisation and with co-regulators where possible.
  - ❑ **Inspectors consider any relevant additional information** to support broader intelligence, reporting or analysis. You provide guidance on current priorities or key interest areas to support inspectors.
  - ❑ You are clear on **the requirements to capture evidence** during inspections, aligned to the severity of the issue and the purpose of the inspection, e.g., written, photographic, or video evidence. You have considered and provide the appropriate tools to do so.

- Better practice recording tools allow inspectors to consistently record common information (for ease of use and to support future automation) but have flexibility to tailor their approach to the purpose and scope of inspection. To consider how inspectors could use configurable inspection recording tools, be clear on your approach to assessing compliance (e.g. do you assess a range of obligations against a checklist, and/or do you need to capture free text observations, or photos taken in the field?).
- Consider how a modular approach to developing inspection checklists can be taken, using interchangeable sections and configurable fields to adapt checklists to the purpose and scope of the inspection.
- When considering your digital functionality requirements, be clear on whether information will need to be collected remotely, accounting for where mobile coverage may be limited. Guidance on remote inspections is available on BRV's website.

INPUTS

- Guidance on conducting inspections and recording tools for inspectors, tailored to the purpose and type of inspection

OUTPUTS

- Information collected from the inspection that meets all operational, legislative, and evidentiary requirements

Collect information cont.

DESCRIPTION

Gather all relevant information during the inspection as indicated by the purpose and scope of the inspection. Collect all information required to inform the inspection outcome decision and response.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **You provide guidance or training** to ensure inspectors are confident in gathering comprehensive and accurate information, sufficient to justify decisions and fulfill legislative requirements. This will include the use of any digital tools and collecting information in line with your standard practice (e.g., using common taxonomies or categorising information, see Part A for more information).

- **Inspectors use digital tools**, such as smart forms and tablets, to record insights digitally. Drop-down options are used to categorise information for easier use and analysis.
- Digital tools enable attachment uploads, offline data collection, and auto-saves to prevent information loss, ultimately improving case management. Smart forms may use a combination of drop-down fields and free text to appropriately capture all insights.
- For desktop assessments, inspectors may require access to different document locations and use digital tools to streamline processes or reduce the need for manual involvement.

INPUTS

- Guidance on conducting inspections and recording tools for inspectors, tailored to the purpose and type of inspection

OUTPUTS

- Information collected from the inspection that meets all operational, legislative, and evidentiary requirements

Review

DESCRIPTION

Inspectors review the information collected to determine whether further information is required or if a decision on compliance and responsive action can be made. At this stage, inspectors might identify non-compliance outside the intended inspection scope and should use their judgement to inspect and address it if there is sufficient risk of harm or potential resource savings.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **Inspectors review their observations and findings** to confirm inspection completion, ensuring all requirements are met and all relevant information is captured. For example, an inspector can review their checklist to ensure all compliance areas have been assessed, that all findings have been documented and to outline any additional non-compliance identified.
- ❑ You provide clear guidance or training on **when inspectors should pursue non-compliance that is outside the intended scope** of inspection. For example, inspectors inspect additional non-compliances if there is a sense of urgency and/or it will save resources to address during the inspection.
    - ❑ Guidance **supports inspectors to consider all relevant information** to identify any additional non-compliances.
    - ❑ **If appropriate,** additional non-compliances will be inspected as per the 'Collect information' component. Consider how you can design your recording tools to enable the flexibility of capturing additional non-compliances and other notes.
- ❑ **Inspectors could declare** that they have, to the best of their ability, noted all relevant information and non-compliances. This can provide notification for internal systems and support evidence of an adequate inspection being conducted.

Consider if your systems can use rules (such as required evidence or commonly associated non-compliances) to support the review of information collected and flag any additional requirements, non-compliances or considerations for the inspector.

INPUTS

- Completed recording tools, collected information and preliminary findings from the inspection, and scope and purpose definition

OUTPUTS

- Confirmation of a completed inspection for internal reference
- Information collected from additional non-compliances

Record and assess information

Record and assess overview

Record and assess information collected to determine the appropriate response to non-compliances identified in the inspection, and to keep a record of the evidence and reasoning that led to that decision.

Record and assess includes two components:

1 **RECORD AND ASSESS** ▶ 2 **DECISION**

See the following slides for each component in this stage. Review the relevant components and process map for better practice and digital considerations.

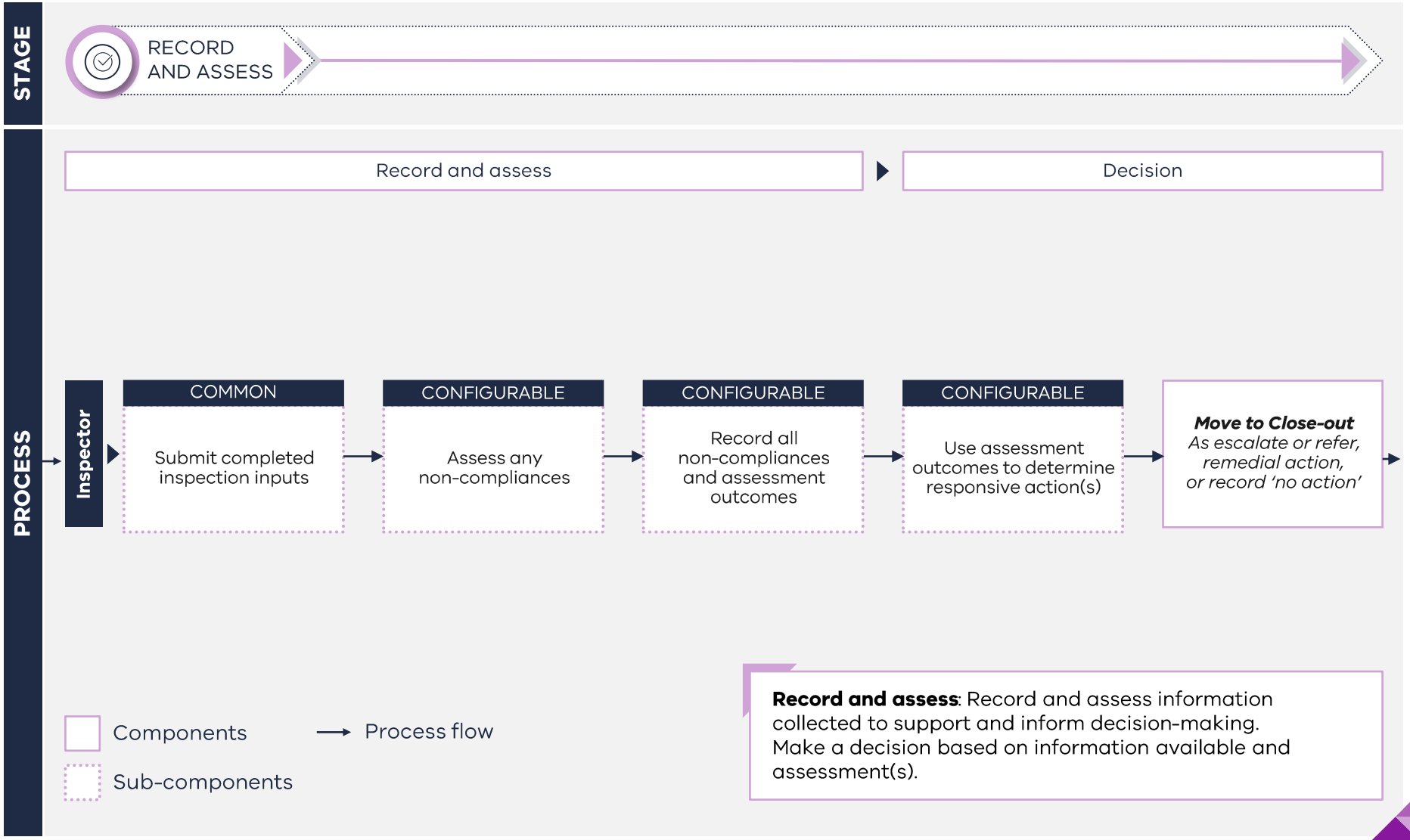
Considerations before implementing better practice

What are your recording requirements as dictated by policy and legislation?	What are the tools used to assess compliance and decide outcomes?
What is your approach to inspector decision-making? (i.e., have you prioritised training and capability uplift to promote inspector judgement in decision-making or used a more prescriptive decision-making process?)	When are inspectors able/not able to make decisions on inspection outcomes? When should matters be escalated for decision-making?

Look for this icon for digital considerations and opportunities to incorporate digital solutions into your practices.

Better Practice Inspection Process | **Record and assess**

TRIGGER AND FOCUS → PLAN → CONDUCT → RECORD AND ASSESS → CLOSE-OUT



You may not need all sub-components. This process should be tailored to your unique needs and inspection process.

Record and assess information

DESCRIPTION

During and following an inspection record all relevant information in accordance with your record keeping requirements, to support decision-making and protect the chain of evidence. Determine whether the entity is or is not compliant and how to respond to cases of non-compliance.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **Guidance** includes defining and using common data taxonomies to categorise information and supports inspectors to decide what information to record (e.g., if not useful for intelligence) and what is required to support follow on processes and continuous improvement and performance reporting.
- ❑ Inspectors (or designated staff) **record all relevant information in an accessible location** (e.g., a central database) to inform intelligence and in accordance with record keeping requirements. This includes information about non-compliances observed, and information about the regulated entities behaviour and attitudes and about the judgements and decisions made.
- ❑ **Inspectors are supported with guidance to assess** compliance. You provide guidance to your staff to support consistent decision-making, considering the inspection purpose. You consider how **assessment tools can be adapted** to simplify their use and support tailoring to meet the purpose of inspections. You should regularly review your assessment tools and logic to ensure consistent and justified assessments.
- ❑ You have accounted for what needs to be recorded for internal purposes (e.g. internal information to generate follow on activities), compared with what may need to be also 'published' in inspection reports or notices.
- ❑ When setting your standards for record keeping in inspections, you have accounted for whether your inspection is likely to lead to or be relied on investigation. The record keeping standards for routine inspections may differ from law enforcement purposes, and excessive requirements may be burdensome or inefficient for officers. Account for the interaction between your inspection teams and that of dedicated investigators, as applicable
- ❑ Your regulator policies and systems promote suitable **record keeping to support consistency and transparency** for key parts of field activity, particularly where actions by officers may not be visible to regulator leadership. Your reporting standards promote consistency and accountability for officer conduct and support the continuous improvement of your delegation frameworks and policies over time.

Please see digital considerations on following slide

INPUTS

- Data collected from inspection, preliminary findings, and inspection purpose

OUTPUTS

- Recorded information for intelligence and future use
- Assessment of non-compliance(s)

Record and assess information

DESCRIPTION

During and following an inspection record all relevant information in accordance with your record keeping requirements, to support decision-making and protect the chain of evidence. Determine whether the entity is or is not compliant and how to respond to cases of non-compliance.

DIGITAL RECORD KEEPING CONSIDERATIONS

- **To better understand what recording equipment and systems you might require, determine whether you need information to be recorded in real time, and/or recorded directly into your systems while infield.**
- Consider how to **digitise or automate assessments and insights** to inform decision-making. This could include using business rules within your smart forms to automate assessments, or linking your inspection inputs to assessment criteria. Digital smart forms might also be used to ensure all mandatory fields are filled by inspectors.
- Consider how you can **use digital systems to store inspection data** and link it to the entity's digital profile for future reference, improving regulatory intelligence.
- Systems should be designed so that notes, observations, photos and other information form part of the inspection record and links to the officer who conducted the inspection and **can be readily accessed**.
- Consider whether you require systems that record officer interactions with regulated entities, the significance of non-compliances observed, attitude or behavioural factors or 'compliance posture' of regulated entities,
- Where a non-compliance is observed, systems should be able to capture this and risk-based decisions made in response to a non-compliance, including decisions to educate or take enforcement action.

INPUTS

- Data collected from inspection, preliminary findings, and inspection purpose

OUTPUTS

- Recorded information for intelligence and future use
- Assessment of non-compliance(s)

Decision

DESCRIPTION

Following final assessment, the inspector (or designated staff) decide the inspection outcome from options including: 'no action required', remedial action (the use of powers such as issuing notices), escalation (to internal teams such as investigations) or referral (external entities such as co-regulators).

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **You have developed guidance for decision-making**. Inspectors follow structured guidance for decision-making, balancing rules with expert judgment to ensure decisions are fair and appropriate to the specific situation.
  - ❑ **Guidance balances** prescriptive direction and/or principles-driven guidelines to support inspector decision-making. Consider the needs and training of your inspectors to develop tailored guidance.
  - ❑ To make decisions, **inspectors consider** the level of risk identified, any time-sensitivity, their purpose and approach, and any additional factors to determine the most appropriate responsive action. There are also clear escalation procedures for where a decision cannot be made or requires more consideration.
- ❑ **Inspectors clearly record their decision** including; what the decision is, the entity, the decision maker and sign-off, date of decision and any relevant information or evidence that justified their decision.
  - ❑ Decisions should align with assessment outcomes and recommendation wherever possible. There should be clear justification for any variance between decisions and recommendations.

Consider how inspectors can **digitally record decision outcomes**, linking them to the entity's profile for future intelligence, with all relevant evidence clearly documented to justify actions.

Inspectors might use a central database or case management system to access relevant information and in a future state, use defined rules to provide automatic decisions for simple cases.

INPUTS

- Inspection reports, risk assessments, legislation and your regulatory approach

OUTPUTS

- Formal decision and recommendations for further action
- Recorded decision against an entity profile

Close-out the inspection

Close-out overview

Close-out your inspections through finalising the documentation to give effect to the inspector's decision.

Close-out includes four components:

1. **ESCALATE OR REFER**
2. **CONDUCT REMEDIAL ACTION**
3. **RECORD 'NO ACTION'**
4. **CLOSE-OUT**

See the following slides for each component in this stage. Review the relevant components and process map for better practice and digital considerations.

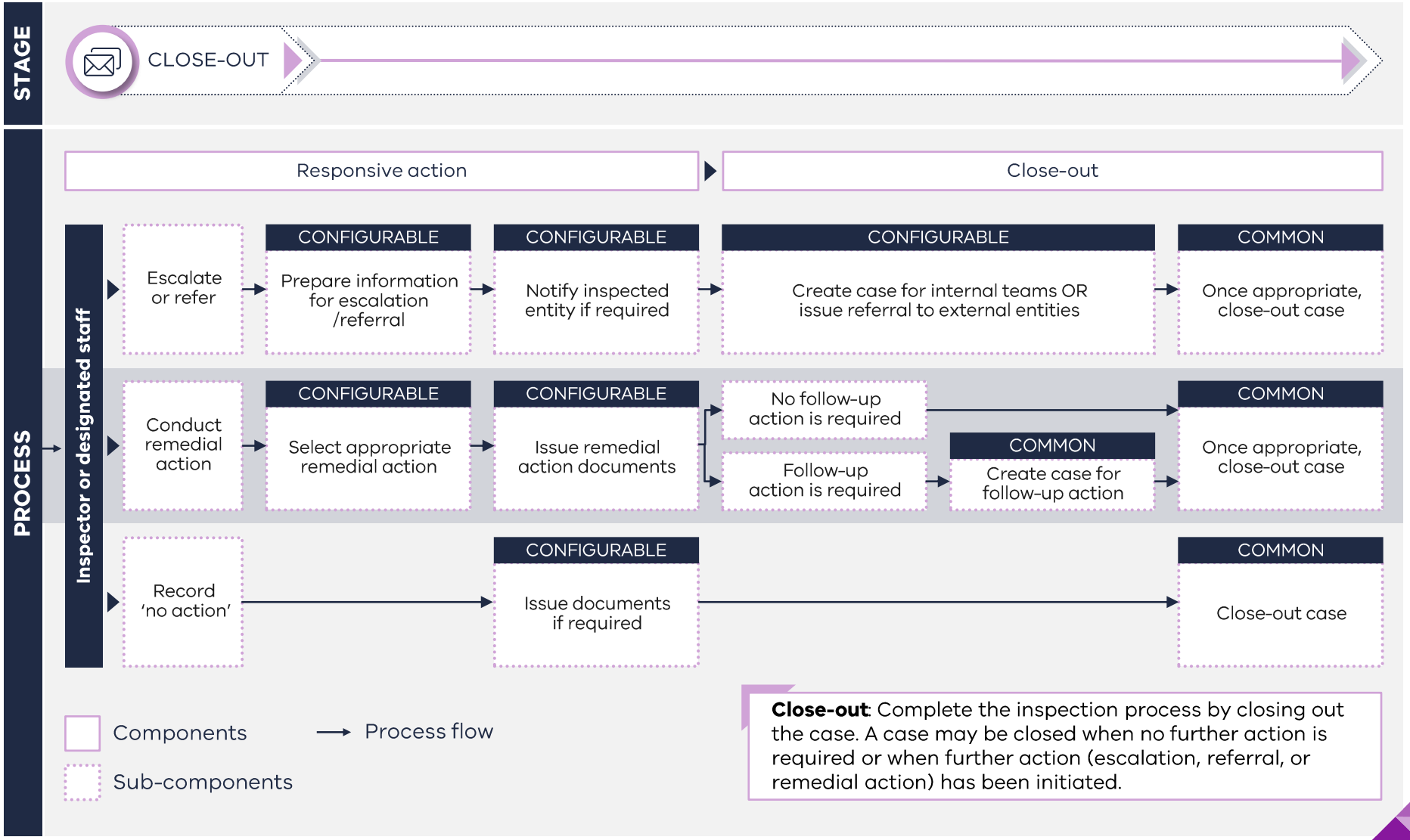
Considerations before implementing better practice

- What is the power of inspectors to take remedial action as outlined in legislation?
- What information will be required by internal teams or external entities to make decisions following an escalation or referral?
- When can inspections be closed out on-site by inspectors and when should they be referred internally/externally to another decision maker?
- What follow-on activities will be required and what are the requirements, processes or additional resources needed to complete those activities?

Look for this icon for digital considerations and opportunities to incorporate digital solutions into your practices.

Better Practice Inspection Process | **Close-out**

TRIGGER AND FOCUS → PLAN → CONDUCT → RECORD AND ASSESS → CLOSE-OUT



You may not need all sub-components. This process should be tailored to your unique needs and inspection process. In some instances, multiple responsive actions might be conducted concurrently.

Escalate or refer

DESCRIPTION

Following the final decision, a matter might be escalated to an internal team (e.g., investigations or disciplinary teams) or referred to an external entity (e.g., to council or co-regulator). Escalation and referral may occur if the recommended response is beyond the authority of the inspector, meets the criteria for enforcement action or requires further investigation. The inspector will prepare the necessary documentation for referral.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **You have developed guidance that outlines when referral or escalation to internal or external teams should occur** based on clear criteria. Guidance considers the nature of non-compliance and factors such as complexity, entity compliance history and potential harm. These considerations can be mapped as business rules to support consistency and allow for digitisation.
    - ❑ **You have reviewed your approach, resources and needs** to consider when additional effort from internal teams is appropriate to resolve non-compliance and/or meet objectives.
    - ❑ **This guidance has standardised processes** for referral or escalation with clear outlines of the minimum information required, as guided by the needs of the referred/escalated entity to make informed decisions. You may use common taxonomies or systems to support ease of referral/escalation, ensure data security and reduce barriers to achieving regulatory outcomes. It provides forms or other documentation to be completed.
- ❑ **Inspectors provide information to the regulated entity**, updating them on actions taken and next steps as appropriate.
    - ❑ Inspectors **outline the rationale behind a decision** to the regulated entity to support transparency. Inspectors communicate the rights of regulated entities to challenge decisions if they believe they have been unfairly treated and may give the opportunity to voluntarily comply or provide further evidence.
    - ❑ **Inspected entities can provide confirmation** of understanding and next steps.

INPUTS

- Formal decision and recommendations for further action
- Referral/escalation criteria and thresholds

OUTPUTS

- Assigned case for internal teams with relevant information
- Referral to external entity
- Communication to regulated entity

Note: In some instances, inspectors may escalate or refer a matter while also conducting remedial action.

Conduct remedial action

DESCRIPTION

Following the final decision, inspectors may conduct remedial action by issuing reports, notices or similar. Remedial action may include advice on how to comply, notices or other directions, or follow up reporting. These may be defined in the legislation and/or policies and procedures for your context.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **You have developed guidance for inspectors to issue remedial actions**, outlining the remedial powers at their disposal and when different tools should be used. The development of decision criteria may support in guiding inspectors to a most appropriate remedial action.
    - ❑ **Inspectors take proportional responses to non-compliance in line with risk.** Inspectors consider the burden placed on the regulator and regulated entity to complete remedial actions and follow-up actions in comparison to the risk of non-compliance(s), supported by guidance. They may also consider time sensitivity, clarity of solutions, additional information required and/or other factors. These considerations can be mapped as business rules to support consistency and allow for digitisation.
- ❑ **You have reviewed and streamlined processes for creating and issuing remedial documents** (such as notices, letters, or reports). This could include developing a single flexible document to reduce the need for several different templates. Consider how you can reduce manual effort and tailoring, through the use of a singular adjustable template that can capture a wide range of non-compliances sorted by the level of risk and the action required.
- ❑ Inspectors **outline the rationale behind a decision** to the regulated entity to support transparency. Inspectors communicate the rights of regulated entities to challenge decisions if they believe they have been unfairly treated and may give the opportunity to voluntarily comply or provide further evidence.

Align all templates for follow-up documents (for requesting remedial action) with your inspection recording tools (e.g., checklist) to allow for easy mail merge, or automated processes using advanced systems.

INPUTS

- Formal decision and recommendations for further action
- Guidance for inspectors to issue remedial actions

OUTPUTS

- Recorded information for intelligence and future use
- Assessment of non-compliance(s)

Record 'no action'

DESCRIPTION

Following the final decision, inspectors should be able to record 'no action' to close an inspection where no further action is required. This might arise where the inspection does not identify non-compliance, where any non-compliance does not require further action at this time or where all matters have been addressed at the time of the inspection.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- **You have developed clear guidance** to outline when non-compliances require no further action, supported by quality assurance practices to ensure guidance is being followed appropriately.
  - Some rationale for a 'no action' outcome could include: the entity is compliant, the non-compliance is of low risk and would not justify the use of resources for remedial action or escalation/referral; or the non-compliance presents a low risk of harm and would not justify the use of resources for remedial action, escalation or referral, and would not reasonably contribute to achieving regulatory priorities.
  - You may consider when **repeated instances** of recorded 'no action' warrants closer assessment or remedial action. For example, three separate instances of low-level non-compliance may constitute informal guidance or a written notice.
- **Inspectors record 'No action' and any relevant insights** to inform intelligence and support a continuous information cycle. Consider how repeated low-risk or minor non-compliances can inform future inspections or graduate a response to remedial action. For example, repeated instances of low-level non-compliance may constitute a more directive inspection approach or broader scope.
- If required, **inspectors issue inspection completion documents** (letters or similar) to notify the regulated entity of the outcome of inspection. These could be aligned and connected to inspection recording tools (e.g., checklists) and templates to streamline or automate this process.

INPUTS

- Formal decision and recommendations for further action
- Inspection records and templates for inspection completion documents

OUTPUTS

- Recorded no action
- No action letter, if required

Close out activity and follow-up

DESCRIPTION

On concluding an inspection, this component includes documenting the outcomes, initiating any necessary follow-up actions and marking the inspection as complete. Use this step to reflect on the success of the inspection and feed insights into future intelligence.

WHAT 'BETTER PRACTICE' LOOKS LIKE

- ❑ **You have developed clear guidance** to ensure inspectors take all necessary steps to properly close out inspections. You may include guidance on when an inspection can be appropriately closed-out based on decisions made and the action taken in response to non-compliance.
- ❑ Inspectors record decision outcomes, any remedial actions they have taken, and follow-up actions **in an accessible location** (e.g., a central database), ensuring all information is linked to the entity's profile for future reference. This creates a complete, accessible record of the inspection, supporting intelligence and future inspections.
- ❑ Inspectors (or designated staff) may **set internal reminder notifications** for any follow-up actions required.
- ❑ Inspectors (or designated staff) **update the status of the inspection** to complete in the appropriate system.
- ❑ Inspectors (and/or designated staff) may **assess the effectiveness and impact of the inspection** based on objectives and requirements outlined in the '*Communicate requirements*' step.
- ❑ You **collect feedback from both inspectors and regulated entities** to continuously improve the inspection process. However, exercise discretion when collecting feedback from regulated entities, as in some cases, their incentives may not align with the regulator's goals of minimising social, economic, or environmental harms.

INPUTS

- The recorded action, required follow-up actions and timeframes

OUTPUTS

- Feedback for inspection process improvement
- Follow-up action reminders

Pause and reflect | Summary of Part B – design and implement

Part B supports you to review and implement better practice inspections processes.

Review the below to consolidate your findings from Part B and to ensure you have conducted the appropriate actions to prepare for digital reform.

ACTIONS TO SUPPORT 'BETTER PRACTICE' INCLUDE...	DIGITAL READINESS MEANS...
Identify where your current processes are and are not meeting better practice.	You have reviewed your current digital systems and tools to identify limitations and possible improvements to reach better practice.
Outline the actions required to implement better practice and prioritise the actions that offer the most value for the resources you'll need.	Where possible, define clear rules and processes within and between stages to help automate tasks and improve digital workflows.
Develop a series of user friendly and accessible guidance in line with better practice for inspectors and relevant teams to conduct effective inspection processes.	You collect and categorise information consistently to allow for comparable inputs and automation. This also supports coregulation through common data categories and taxonomy.
Consider how your inputs such as regulatory approach, different triggers and broader intelligence influence each stage of the inspection process.	Digital systems and tools are used to support an interconnected, continuous information cycle to drive smarter, evidence-based regulation.
Reflect on how better practice considerations could be applied to your broader regulatory practice.	

Appendices

Further information to support and enable ‘better practice’.

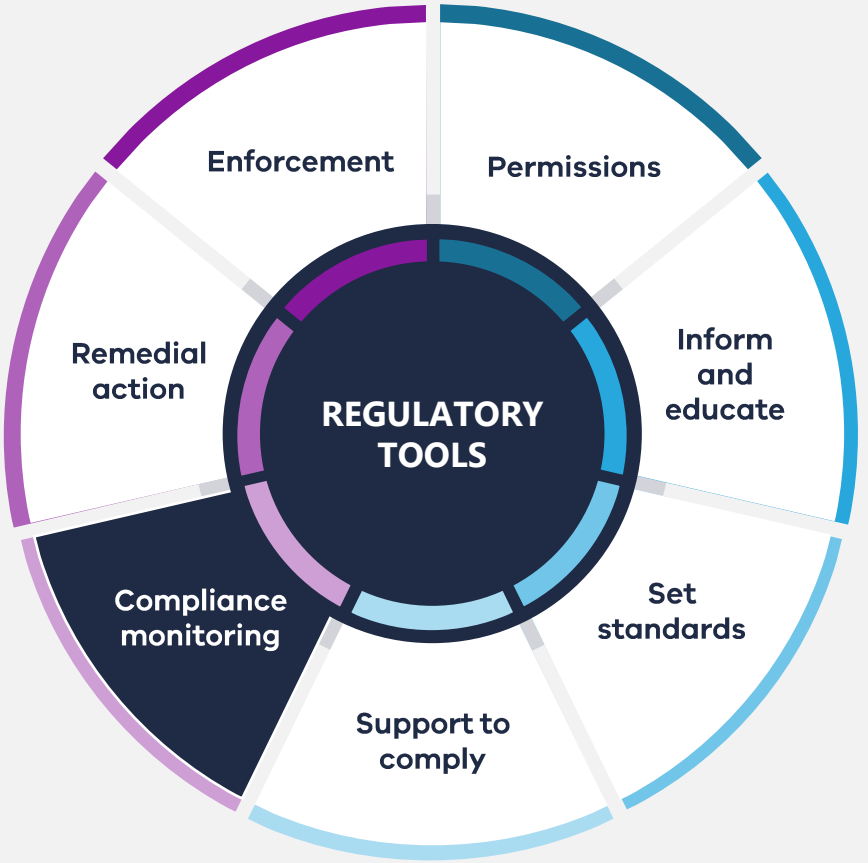
Review the regulatory tools available to you

Compliance monitoring is just one of the regulatory tools at your disposal. Effective, better practice compliance requires the thoughtful use of all tools available to you as a regulator to mitigate non-compliance.

Consider your emphasis of effort and how your use of tools, **your regulatory posture**, aligns with your strategy and approach.

The regulatory tools at your disposal are likely to include:

- **Permissions:** Granting approval for entities to conduct certain activities.
- **Inform and educate:** Disseminate compliance knowledge and guide entities to compliance.
- **Set standards:** Establish industry benchmarks and performance guidelines.
- **Support to comply:** Provide the assistance and resources needed for compliance.
- **Compliance monitoring:** The ongoing process to identify and prevent non-compliance.
- **Remedial action:** Notices and directions to resolve non-compliance and improve future compliance.
- **Enforcement:** Formal action including penalties and sanctions in response to non-compliance.



Reflect on your regulatory posture

Regulatory posture

Your regulatory posture articulates emphasis of effort, aligns with the strategic plan, reflects risk of harm. You as a regulator may reflect one or multiple of the following postures:

POSTURE	EXPLANATION
Proactive	Involves anticipating risks and potential problems before they occur. Regulators actively gather information and use it to inform their oversight and to prevent non-compliance. This often includes providing guidance and support to regulated entities to help them understand and meet their obligations.
Reactive	Involves responding to issues as they arise rather than seeking to prevent them. Enforcement actions are primarily taken after non-compliance or a regulatory breach has been identified.
Risk-Based	Being efficient by prioritising and tailoring regulatory activities to coincide with the areas of greatest risk to public good, safety, or market integrity.
Collaborative	Work alongside industry participants to achieve compliance and regulatory goals. This approach often involves dialogue, partnerships, and joint problem-solving.
Punitive	A focus is on deterrence through the application of sanctions for non-compliance. This stance tends to emphasise the importance of "sending a message" to the market or industry about the importance of following regulations.
Educative	A focus on teaching and informing regulated entities about regulatory requirements and best practices. This approach is often used to achieve compliance through understanding rather than through enforcement action.
Strategic	A longer-term view where the regulator actively shapes the environment through guidance, incentives, and regulatory adjustments to promote desired outcomes such as innovation, market growth, or environmental protection.

Model Inspection Measures

Draw on the following measures to build an approach that suits your circumstances. These measures should be developed within an overall approach to directing inspections on the basis of risk, such as developing a risk profile of industry sectors or individual sites.

CATEGORY	MODEL MEASURES	RATIONALE AND ISSUES TO CONSIDER
Increased adoption of risk controls in target sectors	Percentage of regulated entities inspected with management systems/controls in place, e.g. consistent with relevant standards (as observed in inspections or desktop assessments)	Allows you to baseline and show improvements in regulated entities performance (e.g. applying controls), by sector or legislative scheme. The figure should improve over time, but also help you to show performance improvements as you target new sectors or topics. It is important to account for the population of sites or entities inspected when using this measure.
	Amount of compliance guidance or information given, and remedial notices/direction issued by officers – by category of inspection type (e.g. education focused vs inspection) Also as percentage of inspections where guidance/directions issued	Provides information about your 'impact' on the ground when doing compliance work, e.g. showing that officers add value through guidance or issue of remedial notices, to build compliance. This may require policies on decision-making where there is a non-compliance, e.g. when to give advice versus when to issue a notice, or to refer to sanction.
Improved targeting and compliance outcomes	Amount of non-compliances detected by inspection category (e.g. planned versus responsive) Also as percentage of inspections where non-compliances detected	Shows targeting of effort, especially whether response work is well targeted to problems. The main areas of focus would be responsive inspections, planned inspections (announced and unannounced) and strategic project inspections (e.g. a specific blitz on an issue). There is a 'tension' in this measure between the number of response/reactive inspections, and the detection rate of those inspections. For example, a team may have a higher detection rate but more aggressively triage issues to respond only to the most severe cases. Therefore, reporting both inspection volume trends and detection rates is needed, to calibrate triage and dispatch settings.
	Percentage of significant non-compliances detected, converted into compliance and enforcement pathways (e.g. of all non-compliances, what % were closed out with advice, vs. a penalty issued)	You may need to consider what 'significant' means in your context, so staff aren't driven to enforce where issues are trivial, especially in the context of education of a new sector or topic. It also links to the second measure as looking at 'detection rates', and how detection flows to enforcement outcomes.

Review whether you are using information effectively to detect risk

The collection and management of data and information provides the basis to generate insights and intelligence on the presence and nature of risk. Review your current information processes for risk detection by considering the following questions:

ARE YOUR PROCESSES...	GUIDING QUESTIONS
Comprehensive	• Does your data or information provide staff a complete understanding of specific cohort, entity or conduct risk? • Is additional data or information required to have a more comprehensive understanding of any cohort, entity or conduct risks? If so, what information is required?
Useful	• Does your data or information provide insight on risks that are a priority for you? • To what extent does the data or information provide insight on the scale or severity of non-compliances across the sector? • Does this information provide specific insight about individual entities to inform compliance monitoring?
Accurate	• How precisely does the data reflect the issue being reported and how trusted is the source, e.g. complaint? • Is additional action or engagement needed to verify the accuracy of this data or information?
Timely	• Does the data or information provide insight about when a risk has become apparent? • Does the data or information provide insight about when a risk is likely to materialise as harm? • Is it the most current data or information available to detect risk?
Effective	• What effort is required to collect and manage the data or information? • Is this an effective use of resources proportionate to the insights on risks the data or information provides? • Do the benefits of collecting information outweigh the effort required and any burden placed on regulated entities or co-regulators?

Know your information inputs and store them with future use in mind

You should consider your data model and structure to ensure your data is collected, retained and used in the most effective way. Identify how information should be categorised to support consistent and interoperable processes and systems, for example by cohort, entity or conduct as illustrated below.

ILLUSTRATIVE DATA CATEGORIES

Cohort: This is your aggregated view of entities types. This should link to your view of regulated entities (e.g., by personas, size or activity), and provide a summarised view of risk and other indicators across cohorts of entities.

Entity: This is your ongoing record of an entity. It should capture their general information (contact information, activities, size) and previous conduct (past complaints, inspections, compliance history).

Conduct: This is your view of an indication or instance of non-compliance. This should capture sufficient information about the conduct, and where possible be linked to an entity or cohort.

A data model outlines how information is collected, organised, and retained. Consider your different kinds of data. You should understand how your data is currently retained and organised, and the relationship between different categories.

Collect: Your information will likely come from many sources including permissions, complaints and referrals, feedback from monitoring activities and other regulatory tools (such as information and education or enforcement) that should inform your assessment of risk. To optimise compliance monitoring, it is crucial to integrate and analyse these diverse data sources.

Your monitoring activities and analysis should feed back into your information ecosystem, providing and using insights constantly.

Organise: Consider the use of intelligence inputs to categorise or tag information to support future use. Categories or tags may include:

- Cohort: Risk, trend, reporting requirement etc
- Entity: Compliance history, business or personal information etc
- Conduct: Source, regulation in question, etc

Categories and tags will form the basis of data use in digital systems and set up for automation and process rules.

Retain: Intelligence should be kept in a central database that can be accessed and used to conduct sophisticated analysis. Consider your data security policies, what information is retained for periods of time and for how long.