

The importance of quality assurance mechanisms in logistics and supply chain

Bianca Flint of the FTA and APSA explores the Australian Trusted Trader program against the backdrop of evolving security threats

THE LAST FEW MONTHS HAVE

seen substantial movement in industry where the focus has been on enhancing systems, policies and mechanisms to ensure robust operating environments that can withstand ever-changing security threats.

From cybercrime and trusted insiders to infiltrations within the supply chain itself, the risk environment we are facing is at an all-time high. The increased risk environment has many companies seeking ways to enhance their corporate governance and processes to ensure they are keeping up with best practices and doing what they can to mitigate risk.

QUALITY ASSURANCE AND RISK ASSESSMENT IN THE SUPPLY-CHAIN CONTEXT

Quality assurance in supply chains is the process of ensuring that products and services meet an outlined set of standards and specifications at every stage, in synergy with risk assessment in supply-chain management. Risk assessment is the process of identifying, analysing and mitigating risks that could disrupt and infiltrate the integrity of the supply chain.

The Australian Trusted Trader (ATT) program is a coveted benchmark for companies engaged in trade across the Australian border. Earning and maintaining ATT accreditation requires dedication, as it signifies that a company upholds a secure supply chain and meets high standards of trade compliance across various facets. ATT accreditation can be seen as a symbol of trust and integrity in the industry.

Some of the benefits of ATT status include priority processing, priority treatment at the border and consolidated cargo clearance options. It also includes the various mutual recognition arrangements, such as the latest between Indonesia and Australia. However, one such benefit that is not discussed commonly is how ATT directs

companies to take a step back and delve into how they conduct and address security risk management.

With the speed of growth in our industry and the ever-changing goalposts, how often do we stop and consider our critical systems, foundational practices and critical infrastructure?

Small incremental improvements, one step at a time, really can be the difference between a breach or a containment.

WHY IT MATTERS

Healthy risk management processes and assurance mechanisms catch vulnerabilities before they become threats.

The commercial benefits speak for themselves, from enhanced delivery of goods and services, operational efficiencies, cost savings, a continual improvement-focused company culture, building customer loyalty and trust and competitive advantage, through to mitigation of risk and enhancing compliance.

It can be daunting! Don't be discouraged, as small incremental improvements, one step at a time, really can be the difference between a breach or a containment.

There are many pathways in which quality assurance mechanisms and risk management can be approached. It could be via the pathway of the Australian Trusted Trader or the International Organization for Standardization (ISO). Or it could simply be by developing and introducing corporate policies and procedures that encompass the same principles.

WHERE TO START

Investment into quality assurance mechanisms and risk assessment is a

great starting point to enhance corporate governance. Starting does not have to cost a dollar!

There are a range of free online resources for businesses. For example, the Australian Signals Directorate website contains a range of resources for Cyber Security, and the Business Risk Assessment resources available

at business.gov.au. The Attorney-General's Department released *Countering the Insider Threat - A Guide for Australian Government* in 2023 and it's a fantastic resource that can be applied to Industry.

Australian Trusted Trader provides the ATT International Supply Chain Security Education Program, the ATT Security Risk Management Guidance Material resources and the *ATT Application Form Companion Guide*.

WANT TO TAKE IT UP A NOTCH?

Considering this ever-changing market and how time-poor most of us are, FTA has enhanced its offerings via a range of consultants we are delighted to be partnering with. Utilising consultants can be beneficial as it allows for an expert to assist in analysing the current environment objectively and innovatively.

In the complex world of logistics, threats are inherent, but they don't have to dictate your outcomes. By implementing strong assurance mechanisms at the core of business operations, the risks become stepping stones rather than stumbling blocks, laying the foundation for a resilient and successful supply chain. ■