



## Developing policies and procedures for your firm

*Increasingly, large consumers of professional services are looking to reduce and transfer risk when they engage external providers.*

In competitive selection processes, these consumers will seek proof of your firm's governance and management by requesting copies of actual policies and procedures.

With policies in place, you not only reduce stress at tender time, but your firm is more likely to be viewed as a good fit and safe choice by procurement (especially compared to those firms without formal policies).

Once documented, policies can be actively implemented in your firm during learning and development sessions, or at induction and orientation.

Regular reviews of your policies and procedures ensure your firm keeps pace with legislative and regulatory requirements and obligations.

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### What are policies and procedures?

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#### Policies

Policies are formal documents describing the basic principles and associated guidelines that define how your firm conducts its services, actions or business. They provide direction for both subjective (e.g. work-life balance policy) and objective (password policy) decision making.

Policies do not need to be long or complicated.

Good policies make administration easier, and allow your team to focus on the firm's core business more efficiently and effectively.

#### Procedures

Procedures are the practical extension of policies. They describe how the policy will be implemented in your firm.

Ideally, procedures define:

- who is responsible for doing what
- what steps to follow
- what approvals and record keeping are involved (eg assets register of IT equipment).

Procedures can be as simple as a few bullet points or might be in the form of instructions, forms, checklists or flowcharts.

Not all policies require procedures.



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## Policy development – quick start guide

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### 1. Identify needs

Policies are usually developed in:

- anticipation of need (e.g. IT and data security policies)
- response to need (e.g. in response to new government legislation, like smoke free workplaces).

Regularly assess your firm's risks, activities, responsibilities, and external environment to identify the need for policies and procedures.

### 2. Identify who will take lead responsibility

Delegate responsibility for policy development to an appropriately qualified staff member, manager or working group according to the subject expertise required (e.g. HR, IT, practice manager, finance).

Consider engaging external experts for more complex policies like business continuity and disaster recovery.

### 3. Gather information

- What are your firm's legal responsibilities and obligations in this area?
- What about impacts on insurance cover?
- Is your understanding accurate and up to date?
- What else should be considered?
- Have other professional services firms tackled the same issue?
- Are there existing templates or examples that you could draw on?
- Where will you go for guidance?

### 4. Consult with appropriate stakeholders

Policies are most effective if those affected are consulted. Give relevant people the opportunity to consider and discuss the potential implications of the policy.

Depending on whether you are developing internal or external policies, you may wish to consult:

- professionals and staff
- clients
- suppliers
- firm accountants, lawyers, or other external advisors
- firm management.

### 5. Draft and refine your policy

The wording, length and complexity of the policy should be appropriate to the audience – those who need to implement and follow or assess it. In particular, define any technical terms so they are easily understood.

Ask relevant stakeholders to test and refine your policy draft.



You may also need to review your policy for legal accuracy.

See the sample policy structure at the end of this document.

## 6. Finalise and approve policy

Who will approve and endorse the policy on behalf of the firm? This will depend on the policy – for example, if it is a strategic issue, it may need to be approved by the firm’s executive management; others may need to be approved by the relevant department (such as IT).

Remember, firm management or directors are ultimately responsible for policies and procedures.

## 7. Consider if procedures are needed

Many policies need procedures to make them happen in practice. Consider whether there is a need for clear guidance regarding how the policy will be implemented, and by whom. For example, a discrimination policy communicates the firm’s stance on discrimination. A related procedure would detail how an employee can raise a complaint, and how it will be handled.

Who will be responsible for developing these procedures? When will this be done? What is the process for consultation, approval, and implementation?

Procedures are generally written as instructions, set out simply and in logical steps. Alternatively, a really good set of “frequently asked questions” can cover procedural issues.

## 8. Implement and promulgate the policy

How will the policy be communicated and to whom? Is training required (for internal policies)?

Do you need to provide copies to clients?

Should the firm issue a media release to launch an external policy (e.g. corporate social responsibility or pro bono initiatives)?

## 9. Monitor, review, revise

What monitoring and reporting systems are in place to assess usage and responses? On what basis, and when, will the policy be reviewed and revised (if necessary)?



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## Sample policy structure

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Policies are most effective as official written documents.

Policy documents generally contain certain standard components – a sample structure is set out in the table below.

Policy Section	Content
Purpose and context	Introduction and background information that explains the need for the policy, and provides the context and rationale behind it. May also state the desired effect or outcome of the policy.
Scope and applicability	Description of who the policy affects, and which actions are impacted. Certain people, departments, or actions may be excluded from the policy requirements.
Effective date	The date the policy comes into force. Including an executive signature or endorsement can help enforce the policy.
Responsibilities	Identify who is responsible for adhering to, implementing, and monitoring relevant aspects of the policy or procedure.
Definitions	List and definition of terms, when the subject matter is specialised and requires a precise understanding. Do not use this section to list terms where the meaning is self-evident.
Policy	Clear statement of the governing principle, plan, or understanding that guides the action. May include sub-headings, depending on the complexity of the policy matter.
Procedures	Outline of how the policy is implemented on a day-to-day basis. Sets out the process and responsibilities for accomplishing tasks governed by the policy.

Get in touch and find out more about how we can help you.

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