



A NAVEX **One**® Definitive Guide



Definitive Guide to Policy & Procedure Management

- Optimize your organization's policy and procedure management program



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Overview

The Definitive Guide to Policy and Procedure Management is your go-to resource for effectively and efficiently managing your organization's employee handbook, code of conduct and other policies and procedures. No matter where you are in your understanding of policy management, or how effective your current system may be, this guide offers practical perspectives and insights.

To help you navigate this guide, we divided it into three main sections: **PLAN**, **IMPLEMENT** and **MEASURE**. We also included a bonus section on the human and system efficiencies that come when you **AUTOMATE** your program. In each section, find the information and tools you need to write effective policies, evaluate your policy and procedure management program and improve your organization's position by measuring and analyzing the impact of your program.

■ Introduction

What Is Policy & Procedure Management and Why Is It Important?

Policies and procedures are the backbone of your organization. They are a dynamic body of shared standards used to strengthen and support your organization's success. Having the necessary policies and procedures in place – as well as a system to manage compliance with those policies – will help you accomplish your organization's strategic vision while protecting its people, reputation and bottom line.

Your organization's vision, mission and values serve as its "north star" for policy and procedure development. But creating, maintaining, communicating and training on your policies requires a significant effort. If your team becomes buried by onerous policy management tasks, they will likely regard policies and procedures as many companies do – as a necessary evil and an inconvenience.

Organizations cannot afford to think this way. To achieve bottom-up adoption, there must first be top-down support. Executive leadership must champion the idea that policies change behavior, alter decision-making and serve to advance the core objectives of your organization.



What Is Policy Management?

Simply put, policy management consists of the practices associated with managing your organization's policies or procedures throughout all stages of the policy lifecycle – including drafting, editing, approving, updating, distributing, gaining employee attestation and maintaining an auditable database of records. Policy management software (or a policy management system) refers to the technology that enables more-efficient management and execution of those practices. While we refer to policy management throughout this guide, we recognize that many organizations manage more than just policies within their policy management system. The word "policy" includes codes of conduct, standard operating procedures and other documents.

A Broader Perspective on Policy Management

Policies, procedures, codes of conduct and employee handbooks have existed for ages, but the art of “policy management” as a business practice is relatively new.

Modern policy management takes into account the critical role that policies and procedures play in protecting an organization. Effective policy management – strong, well-managed policies and



procedures integrated across the enterprise – sets standards for conduct that result in improved performance and enhanced corporate culture.

Best practices in policy and procedure management include a wide range of activities beyond storing documents in a binder or file-sharing system. First and foremost, a strong and integrated policy management system helps create an ethical culture. For organizations with remote or hybrid workers, this deliberate approach to policy management is especially critical for establishing that cultural framework.

In well-run organizations, executives use the code of conduct to set the tone from the top about the value and the importance of abiding by the organization’s policies and procedures.

Other key activities of policy management include:

Keeping up with Changes

Policies must be regularly updated to reflect ever-evolving legal and industry regulations and requirements.

Version Control

Policies must be tracked enterprise-wide to ensure that employees have access to the most current version of each policy and procedure. This includes maintaining current parent/child versions of policies and procedures, as well as translations of the most current versions for international audiences.

When properly managed, communicated and enforced, policies can:

- Convey the organization’s mission and enable the execution of its strategy
- Ensure employees clearly understand expectations and consequences
- Influence employee behavior and decision-making
- Create a positive and respectful workplace
- Foster credibility and trust with customers and business partners
- Improve productivity and business performance
- Ensure the organization meets all legal standards required to operate
- Help the organization avoid litigation and mitigate risk
- Identify, prevent and respond to criminal conduct
- Protect the organization’s people, reputation and bottom line

Training and Communication

Regularly training employees on the critical importance of organizational policies has a positive impact on their perspectives and conduct. They should also be tied to your training program so that employees can reference the company's policies on the topic. Those policies must be easily accessible and in a searchable format for easy reference. Another useful practice is to provide evergreen links to training directly within the policy for easy reference.

Enforcement

Companies must have a system in place to receive and resolve reports of wrongdoing. One of the most effective ways to communicate the importance of policies is to promptly investigate allegations and enforce policies when violations occur. Policies should also have a close integration to your whistleblower program.

Attestation and Certification

Employee attestation to policies must be tracked and accessible in case of audits or lawsuits.

Measuring and Improving

Companies must implement a way to track incident reports and investigations, training effectiveness, attestation and other measures of policy management success to target areas that need additional improvement.

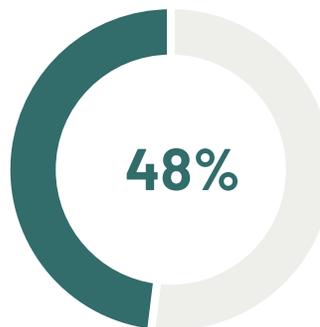
The Stakes Are High

The stakes are high when it comes to policy and procedure management. With the continuous growth of legal and regulatory requirements, complex business operations, global expansion and employee litigation, organizations need a cost effective, comprehensive and integrated approach to managing their policies and procedures globally and enterprise-wide.

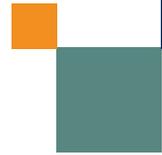
Meanwhile, the challenges organizations commonly face with policy and procedure management can be complex. According to a 2022 NAVEX survey, 40 percent of organizations considered "aligning policies with changing regulations" as one of their top challenges in policy and procedure management. Nearly half listed employee "training on policies" as a top challenge. In fact, only eight percent of organizations surveyed said they did not have any policy management challenges.



Percent of respondents stating that "aligning policies with changing regulations" is a top challenge



Percent of respondents stating that "training employees on policies" is a top challenge



How Effective is Your Policy and Procedure Management Program?

Below is a short poll to help you consider the strength of your organization's current system.

If you cannot readily check yes to all of these questions, your organization could be exposed to significant risk.

- Do you know the last time your complete business policies came under review?
- Is each of your policies reviewed periodically by your legal department to ensure compliance with current laws and regulations across domestic and international operations?
- Do you know who creates all of your policies, as well as the standards and methods used to implement and enforce them?
- Do you maintain meticulous attestation records indicating that your employees have read and understood the policies that apply to them?
- Can your employees find the most current version of any assigned policy in less than three minutes?



Are Your Policies Keeping Up?

In addition to maintaining existing policies, keeping up with the pace of change in your particular industry should be a priority. Given the staggering pace at which business and funding conditions evolve, policies and procedures must reflect current realities. Ask some key questions to ensure your policies are aligned with rapidly changing business conditions.

Keeping Up With the Pace of Change: Questions to Ask

Workforce

- Has the nature of your workforce changed?
- Has the way your employees do their jobs changed?

Operations and Business Structure

- Have there been changes to products, services, funding sources or delivery methods?
- Are you now outsourcing certain jobs?
- Have certain departments taken on additional responsibilities or oversight?
- Have your operating budgets changed?
- Are you offering customers new ways to pay?

Leadership

- Do your policies reflect shifts in direction resulting from new leadership?

Technology

- Do your policies reflect technologies currently in use?
- Do employees use their own tech devices to perform their job functions?

- Is your business technology keeping pace with your customers' technology? With your competitors'?

Compliance and Legal

- Are your policies completely in accord with new laws and regulations?
- Is your policy language clear and explicit?
- Have employees attested to these policies with electronic signatures?

The Value of Policy & Procedure Management

Effective policy management programs provide a number of benefits, and organizations track a range of outcomes as measures of performance. According to 2022 NAVEX survey data, 1 in 5 organizations

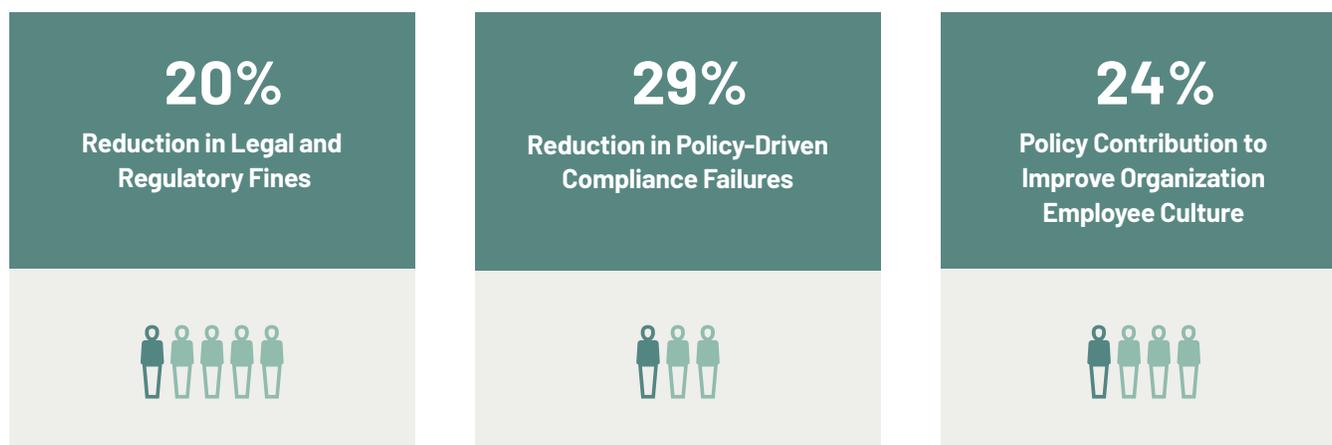
89%

of respondents said their program was "good" to "excellent" in dealing with legal and regulatory risks.



directly measure reduced legal and regulatory fines to assess program effectiveness. Nearly 30 percent capture metrics reflecting reductions in policy-driven compliance failures, and around 1 in 4 measured policy contributions' impact in improving organization and employee culture. The vast majority of respondents – 89 percent – said their program was "good" to "excellent" in dealing with legal and regulatory risks.

Percentage of Respondents Using Each Metric to Measure the Effectiveness of Their Policy Management Program





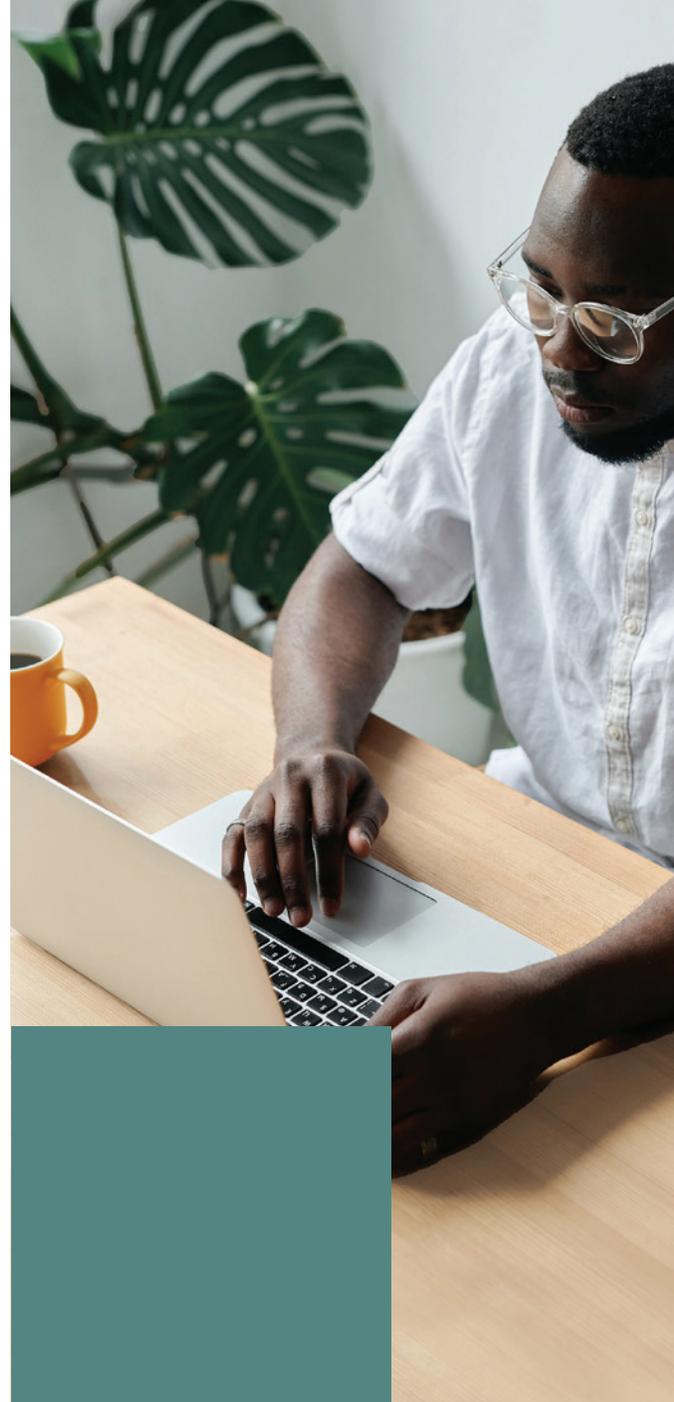
Using the steps outlined in this guide, you can develop your organization's policy practice to fulfill multiple functions:

- Communicate your organization's vision, mission, code of conduct and strategic plan
- Articulate and build your desired culture
- Drive standards for business conduct
- Shape, guide, optimize and protect performance at every level
- Help ensure regulatory compliance
- Minimize risk by reducing litigation and liability

Organizational leaders have a responsibility – legal, financial and ethical – to make policy management a priority. To transform your policy management practices, there are seven key steps:

- 1 Assemble the right team
- 2 Define your approach
- 3 Prioritize policies and procedures
- 4 Manage documents throughout the lifecycle
- 5 Assess your current approach
- 6 Compare alternatives for improvement
- 7 Determine a course of action and implement it

The remainder of this guide is designed to help you understand each of these steps in greater detail.



■ Plan

Build a Strong Foundation for Policy Management

This section provides tools and templates for getting started with your policy and procedure management program. No matter how robust your current program is, these steps provide a strong foundation for your policy management practice.

- 1 Assemble the right team
- 2 Define your approach
- 3 Prioritize policies and procedures

Assemble the Right Team

There is one consistent, all-important element of your policy management approach: **people**. While the right technology can transform the nature of policy management, technology does not make strategic decisions or determine content – your people do.

The following framework identifies the key roles and responsibilities in policy and procedure management.

A Policy Oversight Committee of senior leaders and key policy stakeholders is responsible for developing and implementing policies, procedures and controls throughout the organization. The committee ensures alignment with the organization's vision, mission and values at the heart of its business. These leaders also set a tone of enterprise-wide respect for policy practice by making policy management a priority worthy of time and resources.

Generally speaking, a Policy Oversight Committee should represent the following groups:

- Senior leaders with governance responsibilities who monitor and approve policies
- Leaders representing key areas connected to policy implementation, including compliance, legal, risk, information technology, security, quality and human resources
- Leaders of broad employee segments affected by the policies
- Policy administrators with oversight of the policy and procedure process





The Policy Oversight Committee delegates roles and responsibilities to other groups of policy stakeholders, which include the following.

Document control administrators (also known as policy coordinators) are in charge of all policy and procedure management functions, particularly when an organization uses policy management software. The best document control administrators are effective trainers and skilled facilitators because they are responsible for guiding others through the policy creation process.

Document owners and authors monitor the implementation and lifecycle of the policy from the time it is enacted. The owner is typically the same as the author, although separate people who work closely together may author and then own the policy. Document authors write a policy and manage the various stages of its revision. It is essential that the author is well versed in issues relevant to the policy (especially laws and regulations) and capable of producing a clear, direct, complete policy document.

Reviewers are assigned by the document owner and have the option to accept, reject or revise a policy under review. Reviewers evaluate existing and new policies during all stages of the policy management lifecycle.

Approvers have similar responsibilities to reviewers, but they also have the authority to give final sign-off when a policy meets the criteria to be enacted. A reviewer may or may not also act as an approver.

Additional stakeholders are often called upon by the document owner or author to take part in the development process, including research, brainstorming and the creation of policy outlines. These additional contributors may include subject-matter experts, employees affected by a given policy and nonemployees who are integrally linked to operations (such as government agencies, creditors and unions).

Additional Roles to Consider

Proxy authors write documents on behalf of a document owner who may be too busy but needs to maintain ultimate responsibility for the document.

Collaborators are content or subject-matter experts who can help write sections of the document pertaining to topics that are unfamiliar to the document owner.

Translators translate documents into other languages before they are approved.

Brainstorming committees can be helpful to the process with the use of surveys, small-group meetings on specific topics and policy management software.

Other responsibilities include distributing policies and managing the promotion or awareness efforts around the policy release. Policies that represent areas of particularly significant risk to people or the organization should be carefully implemented with training programs, include assessments to measure comprehension and require attestation of readership by employees.

Finally, someone on the team needs to bear ownership of maintaining critical documentation for audit and reporting purposes.



Policy and Procedure Management Glossary

As you get ready to draft policies, it is important to understand some key terms that often cause confusion. Here are some fundamentals.

■ Policy

A document that prescribes the organization's norms for decision-making and action

■ Policy statement

An overarching, broad-stroke statement of what an employee or other resource will do (but not how to do it)

■ Processes

General outlines that describe the steps needed to accomplish a major function, objective or task identified by a policy

■ Procedures

Detailed step-by-step outlines that describe how to accomplish the tasks needed to support a process or policy

■ Quality record

Information generated that measures the quality of the completed process or procedure

Define Your Approach

As with any management practice, you should have a strategic approach that serves as the foundation for every step that follows. If you don't already have one, develop a vision statement or declaration document to serve as a reference point for policy creation. The code of conduct should serve as an integral way for the executive team to communicate this vision and the importance of heeding all policies and procedures. If you have policies or procedures that do not support your vision, they should be eliminated or modified, or your vision should be modified to reflect them.

The Meta-Policy: Creating a Policy on Policies

Among a Policy Oversight Committee's chief tasks is creating a policy on policies – a meta-policy that establishes the approach to the policy lifecycle from creation, review and approval to distribution, tracking

Best Practice:

Documenting the Policy Development Process

Policy management consists of the practices associated with managing your organization's policies or procedures throughout all the stages of the policy lifecycle, including drafting, editing, approving, updating, distributing, gaining employee attestation and maintaining an auditable database of records.



and updating. Defining consistent guidelines and processes for creating and managing organizational policies is critical to having policies that consistently work toward the achievement of your vision.

“A policy should not be able to get into the central repository unless it follows the meta-policy, so you have that nice circle of control.”

LISA BENNETT HILL
*President and Chief Analyst,
Policyscape Consulting and Consulting Analyst,
GRC 20/20 Research, LLC*

Prioritize Policies and Procedures

Having too many policies burdens the organization, but having too few exposes it to unnecessary risk. Prioritize which policies you will develop (or revise) first. As a rule of thumb, policies are necessary when they define organizational values or mandates, address regulatory obligations or manage potential risk or liability.

Consider the following questions as you prioritize your policy development efforts. This list could be used to select the order in which you tackle policy creation or updates, or it might be used to identify policies that can be consolidated or eliminated altogether.

Policy and Procedure Questionnaire

20 Questions for Prioritizing Policy Development Efforts

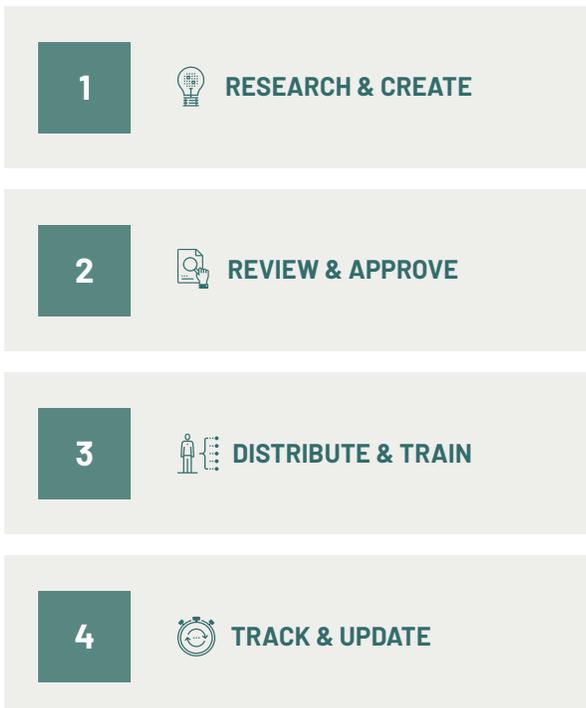
1. Does the document communicate executive direction such as vision, mission, values or objectives?
2. How critical is the document to achieving your vision, mission, values and goals?
3. How integral is the policy to the success, support and enablement of daily operations?
4. How urgent is the need for written directions on this particular subject?
5. How unclear or complex is this issue to the average employee?
6. How often will employees refer to the document?
7. Is the policy integral to establishing or shaping your culture?
8. How many employees are affected by the policy?
9. What are the potential consequences of not having the policy or it being outdated?
10. Is this policy critical to workplace health or safety?
11. Could the lack of this policy result in harm to people?
12. Could the lack of this policy halt or slow operations?
13. Is the policy required or recommended by local, state or federal law?
14. Have recent events necessitated changes to, or the creation of, a policy?
15. Is the policy required for regulatory compliance?
16. Is the policy required for a certification audit?
17. How probably or likely is an incident or violation of this nature to occur?
18. How serious would the ramifications be if an incident arose and no policy existed or a policy was outdated?
19. Would the policy resolve existing challenges?
20. Might the lack of the policy lead to reputational damage or misrepresentation by an employee?

■ Implement

Write and Manage Effective Policies

With clearly defined roles and a strong framework in place, you are ready to begin writing and editing policies. Follow your priorities and work toward your policy objectives. Continually evaluate whether your policy development efforts are in alignment with the organization's strategic objectives.

The Four Stages of the Policy Management Lifecycle



The First Stage of the Policy Management Lifecycle: Research and Create

The first stage focuses on how to write a policy draft, including the important elements of a policy, the process, the writing style, and design and legal considerations.

■ The Writing Process

Research

Before beginning to write, the policy owner – and writers assigned to the policy – should gather relevant information from a broad range of perspectives, both internal and external.

■ Internal

- Employee feedback
- Risk assessment
- Incident reports in the case management system
- Quality and compliance feedback
- Governance feedback

■ External

- Legislation
- Regulations
- Customer feedback
- Best practices
- Example policies from other compliant organizations

Brainstorm

Key stakeholders and subject-matter experts may meet to discuss and further define a policy or procedure's purpose, audience, strengths and weaknesses, metrics for evaluation, and impact on other policies and procedures.

Outline

After researching and brainstorming the content with stakeholders and subject-matter experts, it is time for the owner or author to take the information researched and brainstormed and create an outline. The outline should reflect the different perspectives and feedback shared by stakeholders and subject-matter experts.

Writing Style

Policies and procedures should be direct, without room for interpretation, but they should not come off as hostile or condescending. Policies should be written in the same professional voice regardless of the target audience.

The importance of clarity cannot be understated. Conflated, convoluted, circuitous statements thick with jargon will impress a point on no one. To be certain that the policy means what it says and says what it means, policy content must be unambiguous, grammatically correct and error-free.

■ Writing Tips

- Make sure wording is clear, precise and easy to understand.
- Ensure that policies and procedures are complete, accurate and in proper order.
- Do your best to know the applicable laws and regulations—and make sure the policy complies.
- When determining what to include in your policies, consider the informal and unwritten rules as well.
- Use careful wording. For example:
 - Avoid promissory language. The word *will* means that you are committed to that position or action. The word *shall* is the strongest legal commitment you can make.



Basic Elements of a Policy:

What Every Document Needs

- **Policy title**
to simplify references to the policy
- **Rationale**
that briefly states why the policy exists or why a new policy is replacing an old one—with a focus on how the policy benefits the organization and the user
- **Definitions**
(including keywords) to guard against ambiguity and misinterpretation
- **Scope statement**
that stipulates whether the policy is limited to individuals in certain roles or with certain responsibilities or whether it applies more broadly to departments or the entire organization
- **Related documents**
that provide context and background, including links to those documents
- **Key dates**
to identify when the policy was written, implemented or altered

- Watch out for vague terms such as *can*, *may*, *must*, *ought*, *could*, *should*, and *might*.
- Watch out for absolutes such as *always* and *never*.
- Don't use wording that restricts the organization's ability to act or that unwittingly forms a contract.
- Reserve the right to make changes.
- Be prepared to enforce whatever you write. If you write something without intending to enforce it, you are better off not writing it.
- Clarify who is required to read and follow the procedure.
- Make sure you are clear about who is responsible for each step in the procedure.
- Be specific about the consequences of noncompliance.
- Consider if the procedure is written in a safe, reasonable and fair manner.
- Do not allow policies to become obsolete or inapplicable.
- Always remember the policy and procedure motto: Say what you mean, and do what you say.

Formatting: Looks Matter

It is important to use a standardized format for policies. Fortunately, you don't have to be a graphic designer to create engaging documents. Here are some tips for improving a layout:

- Break up sections with headings and subheadings.
- Use bullets or numbers to define a list.
- Include images, tables, flowcharts, graphs and quotes.

Policy management software helps control the look and feel of policies by providing and restricting document creation to templates you have created or uploaded, to ensure consistent formatting across the organization.



Best Practice:

Consistent Terminology

Achieve clarity by using consistent language and terminology. Terms such as *web*, *internet* and *online* are often used interchangeably. Your information technology (IT) people know the difference; make sure those on the Policy Oversight Committee do, too. Pick one term and use it consistently throughout all organizational policies.

Policy Formatting and Writing – What To Do

- Use the same template for each policy so that employees know where to look for key information.
- Limit policies and procedures to one or two pages. If more pages than that are required, consider dividing up the policy or procedure into smaller topics.
- If printing policies for distribution, put new policies or procedures on a separate page instead of front-to-back. Putting policies and procedures in a book-like format may require fewer printed pages, but it will confuse readers.
- Use bullets and lists to organize information. This makes the document easier to follow.
- Make sure the title describes the policy or procedure and distinguishes it from similar documents.
- Keep sentences short. A good rule of thumb is a maximum of 21 words. One study showed that sentences with 33 words or more lost two-thirds of readers.
- Keep paragraphs short. Long paragraphs are intimidating and hard to read. Four or fewer lines is optimal, if possible.
- Keep lines short. Text lines that run on forever are hard to follow. If possible, consider formatting the policy to 30 characters wide.

Policy Formatting and Writing – What Not To Do

- Do not use long words as they hurt readability. A good rule for words of three or more syllables is to use them sparingly – if at all.
- Do not write in the passive voice. Instead use active verbs to make the reader more accountable and the writing more interesting and easier to comprehend.
- Do not use vague modifiers such as *proper*, *relevant*, *appropriate*, *timely*, *normal*, *sizable* and *small*. These modifiers raise more questions than answers. Be specific. For example, when explaining size directions, you wouldn't say, "Build a large fence." Rather, you should give specifics such as "Build a six-foot-high fence."

With a policy draft completed, it is time to circulate the document among key stakeholders for review and feedback. The next section takes you through the three remaining stages of the policy management lifecycle: review and approve, distribute and train, and track and update.

The Second Stage of the Policy Management Lifecycle: Review and Approve

To ensure that your policies align with your governance principles and the meta-policy, a document control administrator should oversee the entire policy lifecycle for all policies, including drafting, reviewing and editing policies before final approval, distribution and training.

Policies proceed through a number of iterations before they are published. Rarely, if ever, does the first draft of a policy meet the criteria for approval. In fact, this should not be the goal. To develop an effective policy system that supports, advances and protects your business, policy development must be viewed as an ongoing process that requires careful attention, time and resources.

With a draft complete, the owner submits a document to the reviewers. Reviewers ensure accuracy, completeness and alignment with the preestablished guidelines of the meta-policy. If necessary, reviewers provide suggestions on how to improve the process or procedure, recommend ways to better communicate ideas in the document and identify and correct errors.

The review cycle can be laborious. Reviewers may have differences of opinion, miss deadlines or fail to provide feedback at all. The policy owner has to work with them to collect and consolidate feedback, reconcile disagreements and make requested changes. Some documents require several rounds and varying levels of review. For example, first-round reviewers might edit the document for content and readability, second-round reviewers might ensure legality and third-round reviewers might look at strategic alignment.

Once reviewers have signed off on a document, it is forwarded to those with the authority to approve it for publication. The approval stage can also result in a few iterations, but typically by this stage most major changes have been made and only minor changes are necessary. Upon approval, the policy is official and part of the organization's greater body of policies. Approval also transforms the policy into a legal document in the eyes of the law. But simply creating, reviewing and approving a policy is only half the battle – you still need to distribute, track and update it when necessary.

Best Practice:

Legal Review

The organization's legal experts should review your policies to ensure that they reflect current laws and regulations. Every one of your organization's policies should hold up under legal and public scrutiny. If a policy seems only marginally defensible, you are inviting liability, litigation and risk by implementing it.

The Third Stage of the Policy Management Lifecycle: Distribute and Train

You cannot simply publish a policy and expect employees to read it, understand it and refer to it as needed. Employees must be notified, reminded and directed where to find policies and any actions required.

Additionally, it is critical for organizations with remote or hybrid workers to have a strategy in place to confirm that employees are reading and following relevant policies. Just as the misconduct of on-premise workers can put the organization at risk, so too can the actions of remote employees. Diligent policy distribution and training for remote and hybrid workers is also an important touchpoint for setting the tone of an ethical culture. Additionally, the DOJ has issued guidance that policies should be published in a searchable format that is easy to reference, making this a best practice for organizations to implement.

Before rolling out new policies, the document control administrator will develop a distribution strategy to advise employees that policy changes are forthcoming and, if necessary, prepare them to adjust to those changes.

Audience

Keep in mind that not every policy needs to go to every employee. Determining the relevant audience for each policy and procedure can help prevent overwhelming users with information that doesn't apply to them.

Methods of Distribution

There are three common methods of policy and procedure distribution:

- Printed copies (binders or manuals) delivered physically to the employee
- Electronic copies hosted on an intranet, shared drive, server or hard drive, with manual email notifications for delivery
- Electronic copies hosted on policy management software, with automated email notifications, attestation and reporting

Three Methods of Distribution: Pros & Cons

| Method | Pros | Cons |
|----------------|--|---|
| Printed copies | <ul style="list-style-type: none"> • You make a personal impression about how important the document is at the time of delivery • While handing out the document, you can answer questions people may have • People have a copy of the policy or procedure for easy reference • The policy is tangible | <ul style="list-style-type: none"> • This method is time consuming • There is a cost of manual distribution in employee time • There is a cost for paper and binders • Hard copies are often filed or discarded • Changes require a new hard copy for each employee • Maintaining hard copy policies discourages frequent updates • Obtaining signatures on thousands of documents can be impractical, if not impossible • Distributing printed copies to remote employees is slow and difficult to track |

Three Methods of Distribution: Pros & Cons (continued)

| Method | Pros | Cons |
|-----------------------------|--|--|
| Emailed copies | <ul style="list-style-type: none"> • Appropriate staff members receive a digital copy to which they can refer • Distribution is much faster than hand delivery or shipping • The cost of printing or photocopying is reduced and, in some cases, eliminated | <ul style="list-style-type: none"> • It may be difficult to find where a document is stored or saved • There is a risk of employees referring to outdated document versions • Extensive tracking is needed to confirm that emails are sent to the right people, especially new hires • Using emails as proof that documents were read may not stand up in court |
| Policy & procedure software | <ul style="list-style-type: none"> • Readers are automatically assigned to procedures based on roles, job titles or their departments • New employees receive instant, ongoing notifications of required readership tasks based on their job description • Employees are required to attest electronically that they have read and understood the document • Quizzes can measure individual reader comprehension • Real-time reports show who has read which documents • Employees can easily find policies at any time, at any location, with advanced search capabilities • Database of record allows for quick, accurate and defensible audits and can push completion data to the human resources information system (HRIS) for central reporting • Remote employees can work seamlessly within the same system as on-premises workers | <ul style="list-style-type: none"> • Document-sharing software that is not specifically designed for policy management may require a significant financial investment and ongoing IT involvement to configure and maintain it • The cost of software may be a factor; however, top-tier policy management software is designed to be implemented, maintained, and updated with minimal disruption and cost, generating a strong return on investment |



Ongoing Accessibility

Distribution should inform users how to gain speedy and continuous access to policies through a central repository. When employees cannot quickly find what they are looking for, they will give up and do what they think is best – or they will ask someone else, who may not truly understand the policy, either. Neither option leads to a standardized quality of services or product.

The following are some recommendations, depending on the type of system you will be setting up. Whichever method you choose, having a centralized policy management system that enables you to automatically search, catalog and archive documents will minimize your frustration and risk.



Paper/Binders

- Have a set of binders in each department that are manually kept up to date with a plan for disaster recovery
- Try to keep in that department only the documents that apply to those employees
- Maintain a current table of contents for each department in each binder
- Make sure the titles of documents are self-explanatory so that employees can find them (with most-searched-for words at the beginning of the title, if possible)
- Exchange newly approved policies or procedures for outdated ones as quickly as possible to avoid different employees following different and possibly conflicting, procedures
- Remove outdated copies from binders and archive them

- Archiving is best done in a secure area – a fairly large bookshelf that can hold many binders is required
- Keep tables of contents in archived binders current in case of an audit or lawsuit
- Keep archived policies and procedures for at least seven years (some suggest much longer for sensitive policies)
- If you have regulatory guidelines with which you must show policy compliance, it helps to create a spreadsheet with each document linked to each regulation with which it complies



Intranet/Network Posting

- Design a site or folder structure that is easily navigable and ensures all links are evergreen no matter the version
- Although it may require posting duplicate documents in different folders or pages, it will be easier for employees if you can guide them to a folder or page that is customized for them. Ideally, you will have a search tool
- Make sure the title contains relevant keywords so that employees can search for and find it
- Add new documents as they are approved
- Make sure you remove all outdated copies
- Create a policy that your IT team will agree with and where they post new policies or procedures at a certain time on a daily or weekly basis
- Maintain a binder/bookshelf structure similar to that for a paper-based system because you will need to keep hard copies of all approved policies and procedures
- Use a spreadsheet to link to regulatory guidelines



Software

- Ensure that the software is easy to navigate (or it won't be used)
- Look for the ability to map policies to risks, controls, regulatory requirements and investigations so that the organization has a comprehensive view of policies as they relate to other areas of governance, risk management and compliance
- Software should have attestation and approval workflows, so the right people see the right content at the right time, as well as have a legal record showing each person has attested to the policy
- Make sure there is a powerful search tool by title, keyword and full text
- Software should automatically publish new policies when approved and notify relevant employees
- Software should have a compliant electronic signature system to avoid having to keep hard copies outside the system
- Software should automatically archive old policies when new ones are approved
- Software should be able to automate data exports to a secure location for disaster recovery
- Software should link documents to regulations and make them easy to retrieve by regulation
- Software should not require considerable configuration, constant updates and ongoing dedicated IT resources. Look for software specifically designed for policy management, requiring minimal IT involvement, with client control over the system on an ongoing basis



Training

Every organization must have an effective process for educating employees about the policies and procedures they are responsible for following.

The actual education and training of employee is only the first step. Organizations must also monitor the outcomes of training in terms of employee behavior, establish mechanism to take action when behavior does not follow policy, be able to clearly communicate the reasoning and scope of corrective action, and be able to reeducate employees when policies change.

With those necessities in mind, there are several methods for training employees on new policies and procedures, and assessing their comprehension:

- Quizzes
- Brief discussions at staff meetings
- In-service training
- Online training specifics such as “Build a 6-foot-high fence”

Even the best training and education can quickly fade if key points are not made regularly enough or if employees cannot easily refer to the original policy or procedure.

The Fourth Stage of the Policy Management Lifecycle: Track & Update

In the last stage of the policy management lifecycle, establish and document methods to track conformance with the policy and its continued relevance.

Policies can become quickly outdated, as laws, technology, work habits and social factors change. From legal and quality standpoints, outdated policies and procedures are a liability, so policy development must be a continual process.

Policies should be reviewed at a minimum of once a year to determine the need for revision. The review should ensure that policies stay relevant, accurate and current with the industry and still solve the problems they were meant to address.

The update period is also an appropriate time to decide when new policies might be needed to further

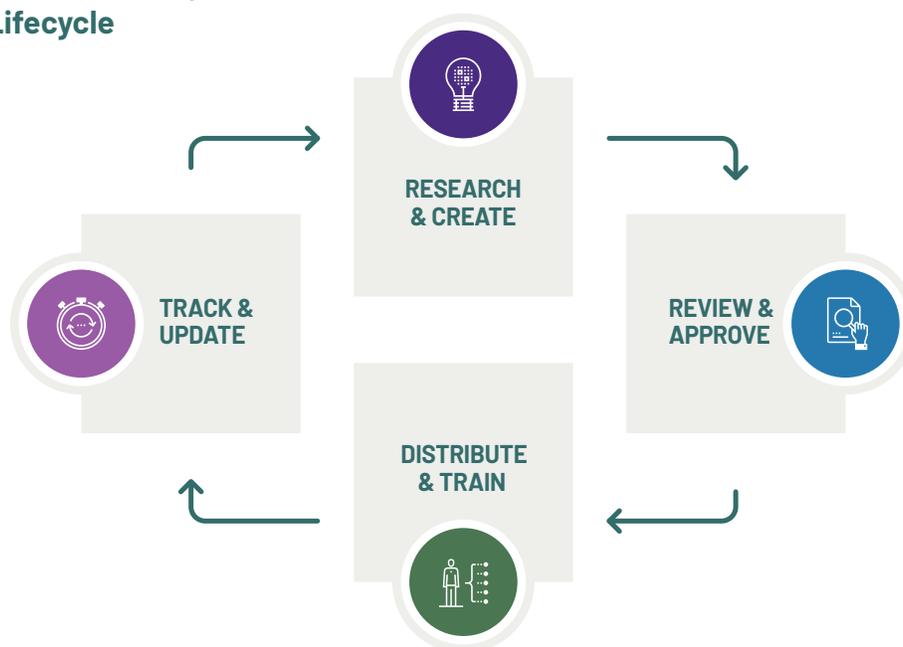
support existing policies or when reauthorization or retirement of a policy is necessary.

When reviewing policies, it is important to maintain version control to make sure that only the current version of a policy is accessible to employees. Failure to do so can lead to employees' making decisions based on outdated or incorrect information. Additionally, outdated documents should be archived for easy access in case of an audit or investigation or for building a legal defense.

So, how do you keep them current and timely?

- One method is to track policies and procedures in a spreadsheet. You could make a list of all the policies and procedures you are in charge of, when they were written and when you should update them next.
- Another, more efficient method is to schedule policy and procedure reviews on an electronic calendar with alerts, available with the best policy and procedure management software.

The Four Stages of the Policy Management Lifecycle



■ Measure

Evaluate & Improve Policy Management Processes

This section provides tools for assessing policy management practices, and it outlines the pros and cons of different approaches to managing policies and procedures.

“Policies are the vehicles that communicate and define values, goals and objectives so that culture does not morph out of control. But the policies must also be well managed so that they are both effective and efficient tools to help the organization stay on the path it chooses.”

MICHAEL K. RASMUSSEN
*Michael Rasmussen,
GRC Analyst & Pundit,
GRC 20/20 Research, LLC*

Assess Your Current Approach

First, ask a series of questions to evaluate your current policy and procedure management program and your use of software to standardize and automate key processes. This is not meant to be a comprehensive assessment;

rather it is a tool to broadly evaluate key areas of policy management. You can use the results to address specific areas of your program, prioritize improvements and build a case for policy management software.

Compare Alternatives for Improvement

For organizations struggling with policy management systems or processes, failure to make changes presents serious operational and legal risks. It can also represent misalignment among governance, strategy and execution.

Incremental changes in people and processes may shore up certain areas, but ultimately they are simply bandages. Sometimes even sweeping changes to the people and processes that govern your policy management practices may not adequately address the root causes of policy management failures.

Policy and procedure management is frustrating and time-consuming when systems lack centralization, automation, standardization, distribution and tracking. Manual approaches that rely on printed manuals or binders, an intranet, computer desktops, hard drives, USB drives and email do not fully address the litany of challenges associated with a lack of centralization, a lack of automation and limited distribution.

Effective management of even a single policy can require significant effort. Managing and coordinating the work of subject-matter experts, reviewers and approvers; publishing in a timely manner; ensuring that readers can access the appropriate documents; and evaluating readership requires organization, documentation, attention to detail, discipline and frequent communication. When this effort is multiplied by each and every important document in your organization, even the most talented manager will fall short and need the help of additional personnel and systems.

Without automation, controlling processes is an overwhelming task; human error is inevitable, and the end result can be costly. Failure to fully implement policies can hurt operational efficiency and lead to outdated policies. The lack of an audit trail is even more problematic – opening the door to legal liability. The bottom line is that no matter how proficient you are at managing processes around policy management, the size and complexity of the task requires automation to create a centralized, standardized and controlled environment.

Build or Buy?

There are a number of factors and risks to consider with a build-your-own approach.

- Building a policy management system is a labor-intensive process that requires significant development and administrative resources over a considerable period of time. The capital cost of building a customized solution is the highest of any alternative—and thus bears the highest risk.
- The ongoing resources required to support and maintain the system come at a significant cost that is often greater than expected.
- The implementation time for building your own policy management software is by far the longest of any of the alternatives.
- Home-grown solutions often lack specialized capabilities of a system specifically designed for managing policies, such as workflow flexibility, extensive audit-trail capabilities, attestation, quizzing, tracking, advanced search, tagging, version control and security.
- Leading policy management systems have been around for more than a decade and have been through years of development, real-world

testing and refinement. Organizations building from scratch will have a long road ahead to get the system just the way they want it.

- Getting additional features or capabilities approved and prioritized in the queue of IT projects after the initial project is complete can be a challenge.
- Many organizations struggle through implementation and maintenance of home-grown solutions only to later abandon the effort and the investment in favor of a more desirable and affordable purchased solution.

In the end, the cost of training, maintenance and management time, let alone the inconsistencies in document creation and categorization, as well as the legal ramifications make building your own system a risky venture.

By comparison, commercial policy management software is an economical, efficient, effective and safe approach to solving the complex and diverse challenges of policy management. For most organizations, realizing the full potential of the policy management function will require an automated policy solution.



With an automated solution being the obvious choice, a common question is: Should I build a solution that meets our very specific needs, or should I buy a policy management solution?

How Are You Doing With Policy Management?

| Paper/Binders | Strongly Disagree | Somewhat Disagree | Unsure/ Neutral | Somewhat Agree | Strongly Agree | We Use Software for This |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Policies We have policies and procedures that communicate leadership vision, define our standards of conduct and reflect our risk profile. | <input type="checkbox"/> |
| Consequences Our policies set clear expectations about appropriate conduct and consequences for violating policies. | <input type="checkbox"/> |
| Enforcement Alleged misconduct and violations are investigated, and policies are promptly and consistently enforced. | <input type="checkbox"/> |
| Perception Our employees view our policies and procedures as integral to our daily operations and the achievement of our mission. | <input type="checkbox"/> |
| Culture Our organizational culture reflects our standards of conduct and commitment to compliance. | <input type="checkbox"/> |
| Policy Look & Feel | Strongly Disagree | Somewhat Disagree | Unsure/ Neutral | Somewhat Agree | Strongly Agree | We Use Software for This |
| Meta-policy We have a policy on policies that provides clear guidelines for the look and feel of policies and processes for policy creation, formatting and lifecycle management. | <input type="checkbox"/> |
| Templates We use templates to preserve a consistent look and feel across policies. | <input type="checkbox"/> |
| Content Policies are written in plain, concise language and are visually accessible. | <input type="checkbox"/> |
| Properties Document properties (i.e., title, version, owner, dates, review interval and roles) are maintained on each policy. | <input type="checkbox"/> |
| Links We link policies to related policies, training materials and applicable laws and regulations. Our links are monitored to avoid broken links or ones that reference old versions of documents. | <input type="checkbox"/> |
| Policy Lifecycle Management Practices | Strongly Disagree | Somewhat Disagree | Unsure/ Neutral | Somewhat Agree | Strongly Agree | We Use Software for This |
| Assessments We periodically assess our risks to gauge compliance with applicable laws, regulations, requirements and contracts. | <input type="checkbox"/> |
| Workflow We have standardized processes for writing, reviewing, approving and distributing policies in a timely manner. | <input type="checkbox"/> |
| Overseer We have one person (document control administrator) responsible for overseeing the entire policy management lifecycle for all of our policies. | <input type="checkbox"/> |

How Are You Doing With Policy Management? (continued)

| | | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Documentation We maintain meticulous records of all policies, statuses, dates, changes, versions, attestations, exceptions and enforcement actions. | <input type="checkbox"/> |
| Organization Policies are partitioned, categorized, tagged and labeled for distribution and access with a particular audience in mind so that they can be found easily by the appropriate employees. | <input type="checkbox"/> |
| Writing We have clear processes and guidelines for those responsible for writing or contributing to a policy document. | <input type="checkbox"/> |
| Review Policies are reviewed and edited by the appropriate stakeholders, internal or external subject-matter experts and the legal department. Changes are documented and consolidated into a single document. | <input type="checkbox"/> |
| Approval Prior to being published, policies must be approved by the appropriate personnel (executives, department heads, subject-matter experts and the legal department). | <input type="checkbox"/> |
| Distribution Employees are notified of new or updated policies and are sent periodic reminders as deadlines approach. Policies are published and displayed where employees can readily view or access them. | <input type="checkbox"/> |
| Feedback Questions, comments and feedback on policies are collected and documented.. | <input type="checkbox"/> |
| Updates All policies are periodically reviewed and updated on time, according to a schedule. | <input type="checkbox"/> |
| Version control and archiving Policies are labeled with a version number, and old versions are promptly archived. | <input type="checkbox"/> |
| Policy Awareness & Access | Strongly Disagree | Somewhat Disagree | Unsure/ Neutral | Somewhat Agree | Strongly Agree | We Use Software for This |
| Awareness Our employees know where to go to find policies when needs arise. | <input type="checkbox"/> |
| Accessibility Employees have 24/7 access to policies and procedures from any location. | <input type="checkbox"/> |
| Applicability At a glance, employees can see all policies that apply to their role and any actions required. | <input type="checkbox"/> |
| Search Robust search capabilities make finding a policy quick and easy. Search is not limited to document titles or exact text matches. | <input type="checkbox"/> |
| Security Our policies are visible only to employees with a need to know.. | <input type="checkbox"/> |

How Are You Doing With Policy Management? (continued)

| Tracking | Strongly Disagree | Somewhat Disagree | Unsure/ Neutral | Somewhat Agree | Strongly Agree | We Use Software for This | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------|--|------------|--|
| Attestation Employees are required to signify that they have read and understood policies. The process of obtaining employee signatures is not cumbersome to management or employees. | <input type="checkbox"/> | | | | |
| Comprehension Employees are trained on policies, and comprehension of policies and procedures is evaluated through quizzes, surveys or other means. | <input type="checkbox"/> | | | | |
| Reporting We can easily generate reports measuring employee readership, attestation, comprehension, policy notifications, exceptions and policies in various stages of the lifecycle. | <input type="checkbox"/> | | | | |
| Totals | | | | | | | | | | |
| Tally up your score according to the point scale. | -2 | -1 | 0 | +1 | +2 | +1 | | | | |
| Program Grade | A = 53-60 | | B = 46-52 | | C = 36-45 | | D = 26-35 | | F = -60-25 | |
| Software Grade | A = 23-30 | | B = 20-22 | | C = 17-19 | | D = 14-16 | | F = 0-13 | |

■ Automate

The Value of Policy Management Software

With the right automated system, the impact on your policy practice can be broad and deep, providing both human and financial efficiencies.

In choosing a software solution, your goal should be a powerful, scalable, flexible, feature-rich system that supports your organization in the following best practices:

Store all policies in a central, accessible and secure location. A policy management system houses all of your policies and enforces key standards and processes for policy development. Employees can access policies at any time, from any place, on any computer or device with internet access.

Show a dashboard of documents, tasks and reports.

View at a glance how many documents you have in each stage of the policy lifecycle. View documents by type, department, sub-department, template, category, topic, regulation, participant role or any other custom taxonomy.

Signal the importance of policies and support an ethical culture. A dedicated policy management solution increases employee awareness and policy visibility and also reinforces the integral role that policies play in the preservation of values, culture, day-to-day operations and the achievement of long-term objectives.

Standardize and centralize the document creation process. A document creation wizard takes the document owner step-by-step through a controlled development process. Consideration is given to templates, document properties, settings, personnel involved, role assignments and security. As soon as



document authorship begins, the automated communications kick in to enable consistent and efficient collaboration.

“To create a policy management repository, an organization needs a policy management tool as opposed to a general document management system.”

LISA BENNETT HILL
*President and Chief Analyst,
Policyscape Consulting,
Consulting Analyst,
GRC 20/20 Research, LLC*

Organize and categorize your policies. Categorize documents by department, topic, regulatory guideline or any other structure you use to delineate access to your documents. As your business changes, simply change the taxonomy or categorization without breaking folder hierarchies, directories or links.

Find documents quickly and easily. Search for policies by department, custom categories, the alpha-bar, title search, full-text, keyword tags, reference numbers or all the above. Use the advanced search dialog to apply any or all search methods and to display relevant search results with applicable search terms highlighted.

Streamline communication. Creating policies requires the involvement of multiple stakeholders across various departments. Automated notifications periodically remind stakeholders of task deadlines until they are complete. When documents are published and scheduled for distribution, automatic notifications are sent to specified employees to read and attest



to the documents. Reminders increase in frequency as deadlines approach and escalate if deadlines are missed. Automation enables more-frequent communications, saves time, shortens review and approval cycles and keeps policy development and implementation on track and on schedule.

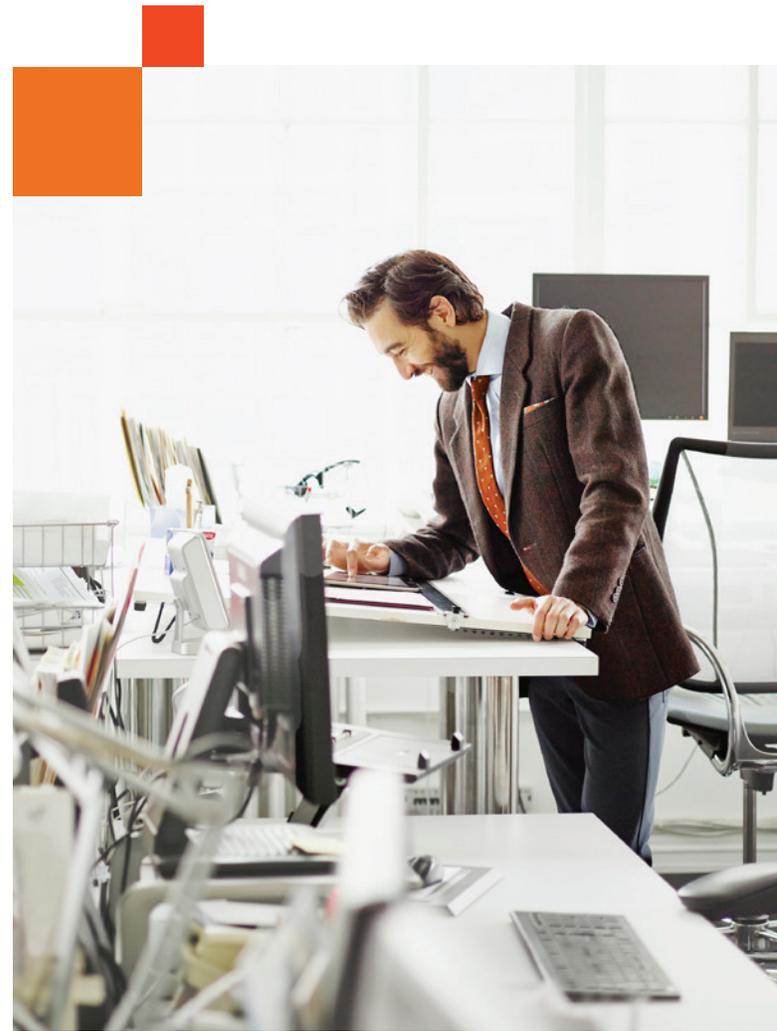
Create and edit documents in real-time with Microsoft Word and Excel. When authors, reviewers or approvers open a Word or Excel document, Microsoft Office integration opens the user's web browser to the version of the application installed on their computer, enabling them to do everything they can in the desktop application. Employees can write, edit, track changes and make updates in real-time without the need to download documents to their desktop and reupload. All changes made to documents by any employee are tracked, recorded and available in reports. The result is an audit trail of all changes made to policies or procedures.

Automate version control and archiving. Display only the approved version of a policy that is current. Older versions are automatically archived when updates are made. New versions are automatically given a new version number. Automatic communications notify employees of policy changes and required actions. When an employee reads or acknowledges a policy, the system records the version number.

Maintain a consistent look and feel across all policies and procedures. Create templates within the system or upload templates to give policies a familiar look and feel that will enable employees to quickly and easily find what they need.

Maintain a system of record for reporting and audit.

Maintain a system of record that tracks the status, implementation, understanding and enforcement of policies, including when employees receive a policy communication or access a policy, the version they accessed, whether or not they attested, the results of a quiz or survey, edits made to drafts, approvals and all key dates associated with any like activities.



“Policy management software addresses the challenges of managing a litany of policies within business boundaries—enabling employees, giving them the expectations and boundaries, and doing so in a way that protects the organization from harm.”

MICHAEL K. RASMUSSEN
JD, OCEG Fellow, CCEP, OCEG, CISSP,
Chief GRC Pundit,
GRC 20/20 Research, LLC

Certify that employees have attested to policies.

When documents are published or updated, automatic email notifications and reminders can be enabled to require actions by employees. Employees may be required to read, attest, view a training video, take a quiz, participate in a survey or provide feedback. Email notifications link to the policy in the system. Employees review policy documents in the system and submit attestation with the click of a button.

Restrict access and hide policies from view.

Password protection makes policies available only to those with the right login credentials. Security levels on policies and role and permission-based policy accessibility restrict document visibility to those with a need to know. Sensitive or inapplicable documents are hidden from view altogether.

Link to related materials. Improve continued learning within policies by linking to forms, other related policies, training materials, web courses, or other web-based pages or programs. Eliminate time spent looking for related documents and forms and enable the creation of policies that are focused and concise.

Map policies to regulations and requirements.

Mapping policies to obligations, risks, controls, legal requirements, regulations and contracts helps you ensure compliance coverage where specific requirements apply, as well as quickly and easily access policies for specific requirements in an audit. Policy mapping also helps identify missing policies or clauses and promptly makes updates when legal requirements change.

Implement policies effectively.

Increase the effectiveness of policies by embedding training videos in policies, linking to a learning management system for externally hosted training videos, measuring policy comprehension and encouraging information retention by implementing quizzes. Follow policy implementations with surveys that measure adoption, exceptions, violations and enforcement actions. Collect and store comments on policies and more.

Schedule and manage tasks.

Manage employee deadlines by creating tasks and automatically sending reminders. Schedule document review intervals, and let the system remind you when to update policies. Notify and periodically remind authors, reviewers, approvers and readers of deadlines. Automatic escalation notices loop in managers when deadlines are not met.



Leverage scalability. The capabilities, security and capacity of the system scale to meet increasingly complex requirements and workflow.

Enjoy commercial support. One of the major benefits of buying policy management software is that you have access to consultants with years of experience to help you implement your system, train employees on how to use it and provide ongoing support. When questions arise, you no longer have to ping IT and wonder when your request will be prioritized in the queue.

■ Conclusion

The tools and insights in this guide will help your organization develop a strong policy and procedure management program. A powerful, scalable, flexible, feature-rich policy management system enables your organization to manage policies across the lifecycle, adding speed, efficiency and oversight while reducing the overall cost of policy management.

Ultimately, your organization will not realize its true potential without effective management and implementation of policies and procedures. Policy management software is present at nearly every stage of the policy management lifecycle and is the key to developing and implementing these documents effectively.

For additional information and downloadable resources, visit the [NAVEX Resource Center](#).



PolicyTech[®]

POLICY & PROCEDURE MANAGEMENT

PolicyTech, the policy and procedure management software within NAVEX One, helps organizations lay the foundation for their entire compliance program with an intuitive, centralized, and effective system. It removes the complexities and manual work from managing those policies and procedures while supporting employee adoption. Our industry-leading solution is designed to help organizations centralize and simplify the lifecycle of their most important documents including developing, editing, approving, updating, distributing, and tracking. PolicyTech not only protects the business by creating a strong audit trail but it also enables employees to easily access the most current version of the documents, supported on mobile and desktops.

PolicyTech works seamlessly within the NAVEX One platform to deliver a streamlined and scalable solution to address increasingly changing regulatory requirements. Users can deploy coordinated campaigns to employee groups with policies, training courses and disclosures making it easy for employees to complete and attest to the necessary compliance tasks. It also assists in streamlining incident management investigations and reducing the time needed to resolve a case. Together, the NAVEX One solutions enable organizations to manage their compliance programs more efficiently and effectively.



NAVEX is the recognized leader in risk and compliance management software and services, empowering thousands of customers around the world to manage and mitigate risks with confidence. NAVEX's mission is to help customers promote ethical, inclusive workplace cultures, protect their brands and preserve the environment through sustainable business practices.

For more information, visit [NAVEX.com](https://www.navex.com) and our [blog](#). Follow us on [Twitter](#) and [LinkedIn](#).



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