

# Our governance: Risk management and accountability

## Values and ethics

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### *Our values*

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The Office's values align with the Queensland Public Service values of Customers first, Ideas into action, Unleash potential, Be courageous, Empower people.

These values inform the operations of the EMC and the day-to-day activities of the Office.

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### *Conduct and complaints*

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The Office complies with the Code of Conduct for the Queensland Public Service (the Code).

The induction program for new employees to the Office includes information about workplace behaviours and an overview of the Code.

The PSBA assesses complaints regarding the conduct of staff employed by the Office in accordance with the PSBA and IGEM Management of Complaints about Employees, Volunteers and Contractors Policy and Procedure.

There were no complaints received involving the Office during 2019–20.

The PSBA also fulfils the following key roles and responsibilities:

- recording of all Conduct and Performance Excellence complaints and complaints of corrupt conduct
- acting as the Office's central liaison point for the Crime and Corruption Commission (CCC) and the Queensland Ombudsman (QO), and in the discharging of statutory obligations under the Crime and Corruption Act 2001
- providing oversight of the Public Interest Disclosure (PID) framework and assisting the Office in fulfilling its statutory obligations under the Public Interest Disclosure Act 2010 (the PID Act)
- assessing complaints in accordance with Queensland's Human Rights Act 2019.

## Risk management

The Office manages risk and fraud in accordance with its:

- Enterprise Risk Management Policy and Procedure
- Fraud and Corruption Prevention and Control Policy and Plan
- Business Continuity Plan.

## *2019–20 achievements*

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During 2019–20 the Office:

- implemented a new Enterprise Risk Management Policy and Procedure
- reviewed the Office's risk appetite statements and risk categories, and developed an operational risk register
- refreshed the Office's strategic risks and opportunities during the development of the Office's *Strategic Plan 2020–24*
- continued to apply project management software and business intelligence tools to support operational and project planning, risk identification and assessment, resource allocation, monitoring and reporting activities.

## **Audit, Risk and Compliance Committee**

In accordance with its Charter, the PSBA and IGEM Audit, Risk and Compliance Committee (PSBA and IGEM ARCC) provides oversight of audit, risk and management compliance activities related to the PSBA and the Office including:

- risk, control and compliance frameworks
- external accountability responsibilities as prescribed by applicable legislative and regulatory frameworks
- other matters considered to be within the committee's responsibilities as they relate to the PSBA and IGEM.

The Committee Charter was developed in line with Queensland Treasury's *Audit Committee Guidelines: Improving Accountability and Performance*, the *Financial and Performance Management Standard 2019* and the *Financial Accountability Act 2009*.

The independent external Chair received \$16,500 (including GST) in remuneration for services provided between 1 July 2019 to 30 June 2020. The second independent member received \$5,775 (including GST) for services provided from 1 July 2019 to 30 June 2020. There were no other on costs incurred. The Committee met on 14 occasions in 2019–20.

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## *Members*

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- Marita Corbett, Chair (independent external Chair)
- Geoff Waite, Executive General Manager, Corporate, Queensland Treasury (appointed member of the Board)
- Iain MacKenzie AFSM, Inspector-General Emergency Management (until 16 July 2019)
- Alistair Dawson APM, Inspector-General Emergency Management (from 17 July 2019)
- Doug Smith, Acting Chief Operating Officer, PSBA (from 8 July 2019 to 13 February 2020)
- Kurt Marsden, Acting Chief Operating Officer, PSBA (from 14 February 2020)
- Peter Dowling AM (second independent external member)
- Louise Barrett, Executive Director, Strategic and Service Alignment Unit, PSBA (employee representative).

## 2019–20 achievements

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During 2019–20, the committee:

- provided oversight of the progression of the QAO Audit Program
- considered all audit reports and provided direction regarding the implementation of report recommendations and actions
- monitored compliance with the *Annual Internal Audit Plan 2019–20 and Strategic Internal Audit Plan 2020–23* and provided oversight of the actioning of open recommendations
- endorsed the IGEM enterprise risk management policy and procedure, and data breach management procedure.

## Internal audit

The Head of Internal Audit, PSBA, is the nominated Head of Internal Audit for the Office in accordance with the *Financial Accountability Act 2009*.

The PSBA Internal Audit Unit (the unit) is an independent unit that provides advice to the Office and public safety agencies. The unit undertakes compliance (effectiveness), performance (efficiency) and other reviews (e.g. financial management) to identify areas of risk and to improve organisational outcomes. Its work is undertaken in accordance with the Institute of Internal Auditors' standards, its approved Charter, consistent with Queensland Treasury's *Audit Committee Guidelines: Improving Accountability and Performance*, ethical standards and the *Financial and Performance Management Standard 2019*. Systems are in place to ensure the effective, efficient and economic operation of the internal audit function.

The *PSBA Annual Internal Audit Plan 2019–2020 and Strategic Internal Audit Plan 2020–23* was endorsed by the PSBA and IGEM ARCC and approved by the Chair of the PSBA Board of Management on 4 June 2019. This plan is informed by a detailed audit planning and risk assessment process and guided the work of the unit in 2019–20. Delivery of the *PSBA Annual Internal Audit Plan 2019–20* was progressed through a combination of in-house and co-sourced delivery.

There were no specific audits for the Office in the *PSBA Annual Internal Audit Plan 2019–20*. The Office gained assurance by inclusion in public safety agency-wide reviews where relevant to its operations. These included those reviews relating to system access controls, fraud and corruption, security awareness, the Chief Finance Officer assurance statement, risk management framework assessment, information and communications technology project governance and delivery of the Trusted Advisor Series of work.

Delivery of the *PSBA Annual Internal Audit Plan 2019–20* was impacted by the Office's and the other public safety agencies' planning and response to COVID-19. During this time, Internal Audit redirected its focus to be a trusted advisor and assisted public safety agency management with checks of internal controls such as risk management, procurement and cyber security.

At 30 June 2020 fieldwork was fully complete. It is expected that the final reports for all audit reviews will be issued by 31 October 2020.

## External scrutiny

During 2019–20, findings from reports by external agencies requiring consideration by, or impacting on, the Office were considered and actioned as appropriate.

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### *Crime and Corruption Commission*

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The Office used the Crime and Corruption Commission's Corruption Prevention Advisory resources, as necessary, to assist in the identification of corruption risks and the development of better practice prevention strategies. The Office has a Fraud and Corruption Prevention and Control Policy and Plan in place. Key concepts were communicated to employees to promote ethical decision-making and integrity.

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### *Queensland Ombudsman*

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The Queensland Ombudsman is the oversight agency for the Public Interest Disclosure Act 2010 (the PID Act). The PSBA provides oversight of the Public Interest Disclosure framework and assists the Office in fulfilling its statutory obligations under the PID Act.

In accordance with section 60 of the PID Act, the PSBA has a management program in place that is supported by policies and procedures related to the response to, assessment and management of public interest disclosures.

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### *Queensland Audit Office*

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The Queensland Audit Office (QAO) supports the role of the Auditor-General of Queensland in providing Parliament with an independent assessment of the financial management and performance activities of Queensland public sector entities. All QAO reports for 2019–20 are available at [www.qao.qld.gov.au](http://www.qao.qld.gov.au).

- *Report 8: 2018–19: Queensland state government entities: 2018–19 results of financial audits*

This report summarised QAO's assessment of the financial position, performance and assurance processes of the Queensland state government, and the timeliness and quality of financial reporting by public sector entities. The Office received an unmodified audit opinion and met these requirements with no significant issues identified.

The report also provided the results of an assessment of internal controls across the sector and identified eight actions for the consideration of all entities to decrease the risk of fraud or improve other internal controls. The Office is progressively implementing enhanced internal controls where necessary.

- *Auditor-General's Report No 3: 2019–20 – Managing cyber security risks*

This review assessed whether entities were effectively managing their cyber security risks, with a focus on whether they:

- understood and assessed the extent to which their information assets and organisational processes were exposed to cyber security risks
- designed and implemented effective information controls to mitigate identified cyber security risks.

Three government entities were in-scope for the review, which found that the entities were not managing their cyber security risks as effectively as they could. The report provided 17 recommendations applicable to all agencies, and recognised that implementing effective controls for cyber security should be performed on a cost-benefit basis.

The PSBA, as the provider of information and communication technology services to the Office, made an assessment against recommendations one to three of the QAO review.

Based on the results of the self-assessment process, the PSBA also considered recommendations four to 17 for the agency's risk appetite and risk exposure and determined that the agency sufficiently meets the requirements.

## Information systems and recordkeeping

The PSBA, as the provider of professional support services to the Office, is responsible for information systems and recordkeeping. A dedicated records management team provided support, advice and assistance to the Office to ensure compliance with legislation and recordkeeping requirements.

This support complemented whole-of-government resources available from the Queensland Government Chief Information Office and Queensland State Archives. The PSBA also provided specific advice related to the management of public records, whether hardcopy or electronic, and changes to legislation. Training was available to assist employees to build records management capability.

The PSBA continued to create hardcopy files, archive inactive records and destroy records that had reached their required retention that were authorised for destruction in accordance with the Queensland Government Enterprise Architecture (QGEA) Records Governance Policy. No records were authorised for destruction during 2019–20.

In 2019–20, the Office used MECS to manage Ministerial correspondence, network drives to manage other electronic documentation, RecFind to manage hardcopy records and SharePoint to manage project documentation and Office intranet resources. During the reporting period, the PSBA completed an upgrade of RecFind.

Other activities included:

- commencing an analysis of software available within the Microsoft Office Suite, including SharePoint, to further assess its ability to enhance the management of electronic content and legislative and regulatory compliance
- developing a process, in line with whole-of-government policy, to enable physical receipts and invoices associated with corporate card transactions to be disposed of, once digitised. The resultant updated corporate card policy, effective from 30 May 2020, significantly reduces off-site physical record storage costs and time spent supporting the corporate card process.

No records were transferred from the Office to Queensland State Archives during 2019–20.

There were no breaches to report during 2019–20.