

GOVERNANCE AND ACCOUNTABILITY

Board of Management Committee

The role of the Board of Management (BOM) Committee is to provide a forum for decision-making and to debate, discuss and agree on departmental direction for key strategic and operational issues. It also monitors performance and reporting requirements for agency targets, reviews risk treatment strategies and actions, and provides continual monitoring of the risk appetite for the agency.

Additionally, the BOM assesses whole-of-government priorities for agency implications relating to policy and/resourcing, manages DESBT audit recommendations and subsequent implementation actions to ensure a robust, compliant agency. It utilises all available analytics and insights to drive the department to provide engaging and relevant community programs to meet the agency vision.

BOM Membership

Chair

Director-General

Members

A/Deputy Director-General Employment
Deputy Director-General Small Business
Deputy Director-General Training and Skills
Chief Finance Officer and Head of Corporate

Observers

Director, Office of the Director-General
Secretariat

Risk management

The department's risk, internal audit and assurance functions are outsourced to PricewaterhouseCooper (PwC). The risk management function works with business areas to update their risk registers and identify any relevant risk mitigation strategies for implementation by the respective business areas.

The risk management framework is to be established by the new internal audit function. A risk register has been established for all departmental risks which includes known risks for each portfolio and corporate services risks.

Audit and Risk Committee

The role of the Audit and Risk Committee (ARC) is to provide independent assurance and assistance to the Director-General of DESBT on:

- the risk, control and compliance frameworks
- the agency's external accountability responsibilities as prescribed in the relevant legislation and standards
- the agency's integrity framework.

The committee does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within DESBT or the reporting lines and responsibilities of either internal audit or external audit functions.

The ARC assists the accountable officer to meet responsibilities under the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and other prescribed requirements.

ARC held its first meeting on 28 June 2018. ARC will meet quarterly and must observe the terms of its charter, and have due regard to the Audit Committee Guidelines.

In addition, monitoring the implementation progress of agreed actions against all Queensland Audit Office (QAO) audit recommendations is performed.

ARC carries out a range of activities to maintain oversight of key financial, risk and performance management activities for the department including:

- Financial statements – reviewing the appropriateness of accounting policies and financial performance
- Risk management – reviewing the effectiveness of the department's risk management framework, and processes for identifying, monitoring and managing significant business risks
- Integrity oversight and misconduct prevention – monitoring misconduct trends and prevention approaches and highlighting issues and areas for improvement with management
- Internal control – reviewing, with the assistance of the department's internal and external audit functions, the adequacy of internal controls, including IT security
- Internal and external audit – reviewing and approving the department's *Internal Audit Plan*, consulting with External Audit on the proposed audit strategy, and considering findings and recommendations from audit activity to ensure key risks are considered and mitigated.

ARC membership

Chair

Karen Prentis, (External Chair)

Members

A/Deputy Director-General Employment

Deputy Director-General Small Business

Deputy Director-General Training and Skills

Assistant Director-General Training and Skills

Chief Finance Officer, Queensland Treasury (Public Sector External)

Internal audit

PwC provides an independent and objective internal audit service and operates in accordance with the department's Internal Audit Charter and ethical standards. Internal Audit supports the ARC by evaluating the department's financial and operational systems, reporting processes and activities. Although independent, Internal Audit liaises with QAO regularly to ensure appropriate assurance services are provided.

Internal Audit develops an annual plan which is endorsed by the ARC and approved by the Director-General.

External scrutiny

The department is subject to a number of external reviewers, including the Queensland Auditor-General, the Office of the Information Commissioner (Queensland), the Crime and Corruption Commission (Queensland) and the Queensland Ombudsman. The following audit applied to the department for the 2017–18 reporting period.

Queensland Audit Office (QAO) reports tabled in the Queensland Parliament

The Auditor-General is an Independent Officer of Parliament, appointed for a fixed seven-year term. The QAO enables the Auditor-General to fulfil this role by providing professional financial and performance audit services to both parliament and the public sector on behalf of the Auditor-General.

The following QAO reports are applicable to the department. A complete list of all tabled reports by QAO to the Queensland Parliament in the 2017–18 financial year is available on the QAO website at <https://www.qao.qld.gov.au/reports-resources/parliament>

The *Queensland state government: 2016–17 results of financial audits* (Report 11: 2017–18) summarises QAO financial audit results for all entities owned or controlled by the Queensland Government.

QAO categorise these entities into three sectors: the general government sector provides public services for the collective benefit of the community; public non-financial corporations provide goods and services that are trading, non-regulatory, or non-financial in nature; and public financial corporations provide financial services.

Each year, the Treasurer prepares the Queensland Government's consolidated financial statements. These statements provide a complete view of the performance and position of the state government.

In this report, QAO assess the position, performance and financial sustainability of the Queensland Government. QAO analysis helps users of the financial statements to understand and use the statements by clarifying the financial effects of significant transactions and events during the year. Additionally, analysis alerts users to future challenges, including existing and emerging risks the government faces.

Information systems and recordkeeping

Pursuant to section 7 of the *Public Records Act 2002*, the department must make and keep full and accurate records of its activities and have regard to any relevant policy, standards and guidelines made by the archivist about the making and keeping of records.

The department is reliant on the transferring departmental systems, including policies and procedures. New policies are progressively being developed and tailored to suit the department's needs.