Corporate support functions

The Corporate Governance Group (CGG)

The CGG meets monthly to assist the Director-General in discharging his accountabilities to achieve the department's objectives. CGG held 10 ordinary meetings during 2017–18.

Membership

Chaired by the Director-General, CGG also includes the following members:

- Deputy Director-General, Corporate and Government Services
- Deputy Director-General, Strategy and Engagement
- Deputy Director-General, Policy
- Cabinet Secretary
- Queensland Parliamentary Counsel
- Executive Director, Office of the Director-General.

Role

The role of the CGG is to:

- support the Director-General in decision making and advising on matters of strategic importance
- identify and report on emerging governance issues and major activities
- provide assurance on the effectiveness of governance arrangements
- review and approve corporate policies and processes
- act as a forum for strategic information sharing
- embed risk management activities and manage risk mitigation strategies
- consider impacts of whole-of-government initiatives on the department's activities
- act as the department's crisis management group and meet during a disruption to oversee the department's internal and whole-of-government responsibilities.

To manage the department's key duties and responsibilities, sub-committees, chaired by CGG members, support the function of the CGG. These sub-committees provide regular updates to CGG on progress of their respective key focus areas.
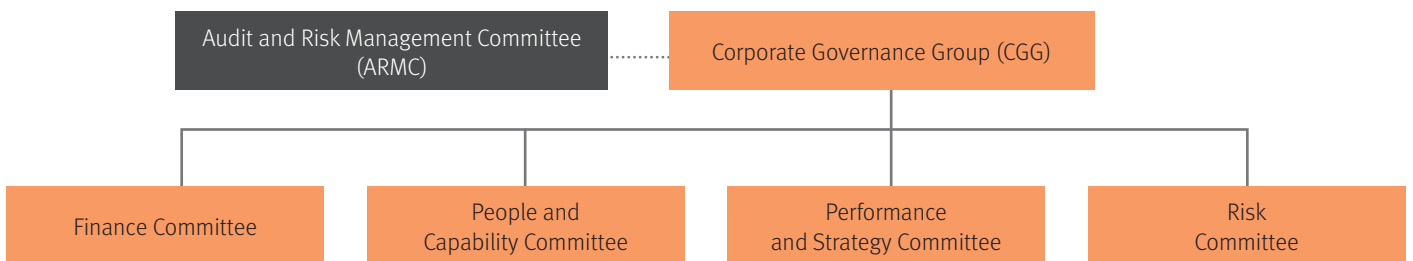
Finance Committee

The Finance Committee meets quarterly and provides reports to the CGG. The committee met four times during the year and is chaired by the Deputy Director General, Policy.

Role

The role of the Finance Committee is to:

- guide the annual budget processes
- monitor and report on DPC's financial performance against priorities and approved budgets
- formulate strategies for improving DPC's financial position including implications of whole-of-government financial policy developments
- provide executive-level oversight of strategic procurement issues in accordance with departmental priorities
- consider strategic and operational financial risk for DPC and develop appropriate mitigation.

Audit and Risk Management Committee (ARMC) ...... Corporate Governance Group (CGG)

Finance Committee | People and Capability Committee | Performance and Strategy Committee | Risk Committee

Performance and Strategy Committee

The Performance and Strategy Committee meets quarterly and provides reports to the CGG. The committee met three times during the year and is chaired by the Deputy Director-General, Strategy and Engagement.

Role

The Performance and Strategy Committee has a performance (operational) and a strategy (transformational) role.

The Committee's performance (operational) role is to provide advice to the CGG on the:

- delivery of the department's key commitments, objectives and milestones
- planning, performance and reporting cycle ensuring alignment of activities including,
  - the development of performance measures and dashboard performance reporting for the department
  - statutory reporting activities
  - business planning activities and improvements to existing business processes
  - compliance with the performance management legislative requirements
- setting key priorities and guiding the Department towards achievement of these priorities.

The Committee's strategy (transformational) role is to provide advice to the CGG on:

- the implementation of the strategic plan, ensuring it underpins all departmental activities
- transformational projects (focusing on leading practice) and initiatives
- changes to the operating model including the prioritisation and resourcing of new projects and initiatives (where needed)
- the commitment to continuous development and improvement
- key stakeholder relationships, feedback and strategies via the customer survey process
- learnings and outcomes
- innovative approaches and projects
- reputational management.

People and Capability Committee

The People and Capability Committee meets quarterly and provides reports to the CGG. The committee met four times during the year and is chaired by the Deputy Director-General, Corporate and Government Services.

Role

The role of the People and Capability Committee is to:

- embed a workforce culture that upholds the Queensland public service values and commits to the highest standards of ethical behaviour
- enhance leadership capability in order to drive higher levels of organisational performance, culture and engagement
- optimise workforce capability and capacity.

Risk Committee

The Risk Committee meets quarterly and provides reports to the CGG. The committee met four times during the year and is chaired by the Queensland Parliamentary Counsel.

Role

The role of the Risk Committee is to:

- advocate and implement DPC's risk management framework
- endorse DPC's risk appetite and review its ongoing application
- monitor the department's risk profile and exposure to significant risks
- oversee the department's ICT risks
- monitor security policies and practices
- review and assess significant emerging risk areas
- act as a forum for the discussion of significant operational risk issues.

Audit and Risk Management Committee (ARMC)

The department's ARMC was established by the Director-General as required by section 35(1) of the *Financial and Performance Management Standard 2009*. As required by section 35(2) of the standard, terms of reference outline the role of the committee.

During 2017–18, the ARMC observed the terms of its charter and had due regard to Queensland Treasury's *Audit Committee Guidelines Improving Accountability and Performance*, issued in 2012. In accordance with its terms of reference the ARMC met four times during 2017–18.

The Chief Finance Officer; the Director, Internal Audit and Risk; a representative from the Queensland Audit Office (QAO) and a representative from the internal audit service provider, have standing invitations as observers to attend all committee meetings. Departmental officers are invited to attend meetings as required.

Membership

The ARMC comprises:

Name	Committee role	Position	Portion of the year as a member
Jenny Parker	Chair	Independent	July 2017 – June 2018
Neil Jackson	Member	Independent	July 2017 – June 2018
Bronwyn Morris	Member	Independent	July 2017 – June 2018
Peter McKay	Member	Deputy Commissioner, PSC	July 2017 – June 2018
Filly Morgan	Member	Deputy Director-General, Corporate and Government Services, DPC	July 2017 – June 2018
Dave Stewart	Attendee	Director-General	July 2017 – June 2018
Robert Setter	Attendee	Commission Chief Executive, Public Service Commission	July 2017 – June 2018

Role

The role of the ARMC is to provide independent assurance and assistance to the Director-General on the risk, control and compliance frameworks and the department's external accountability responsibilities. The ARMC's responsibilities include overseeing the:

- annual financial statements, ensuring appropriateness of accounting policies and management assumptions
- internal audit plan and audit findings
- external audit reports
- Risk Management Framework
- performance, monitoring and reporting activities.

The ARMC also serves the Commission Chief Executive, Public Service Commission.

Remuneration

As the chair of the committee, Jenny Parker is entitled to be paid $230 (excluding GST) per hour, to prepare for and attend meetings. The Chair attended three of the meetings held during 2017–18 and is entitled to receive $7370 (excluding GST) for this period.

As an independent member of the committee, Neil Jackson is entitled to be paid $210 per hour (excluding GST) to prepare for and attend meetings. The independent member attended all four meetings held during 2017–18 and is entitled to receive $5040 (excluding GST) in remuneration.

As an independent member of the committee, Bronwyn Morris is entitled to $210 per hour (excluding GST) to prepare for and attend meetings. The independent member attended all four meetings held during 2017–18 and received $5040 (excluding GST) in remuneration.

Key achievements for 2017–18

- Approved the annual internal audit plan and monitored the ongoing delivery of the internal audit program.
- Endorsed the updates to departmental risk management materials based on the QAO risk maturity assessment material.
- Monitored progress of the implementation status of internal audit recommendations.
- Received and considered external audit reports and monitored the implementation status of agreed actions against recommendations made (refer to External Scrutiny for further information).
- Endorsed the financial statements for 2016–17 and considered the ongoing financial position of the department.
- Considered the ongoing corporate governance and risk management activities.

Risk management

In accordance with the *Financial Accountability Act 2009*, the Director-General, DPC has established appropriate systems of internal control and risk management. This has been achieved through the maintenance of a risk management framework, and oversight by the ARMC. DPC's Risk Management Framework aligns with the International Standard ISO 31000:2018 on risk management principles and guidelines and includes appropriate governance arrangements and risk reporting and analysis.

DPC is committed to a philosophy and culture that ensures risk management is an integral part of all activities. This minimises vulnerability to internal and external events and influences that could impact on the achievement of its objectives and strategic priorities.

To support the achievement of strategic objectives, risk management continues to be embedded throughout the department through proactive executive involvement and assessment and treatment of risk, including fraud and corruption risks.

DPC's 2017–2021 Strategic Plan identified five overarching strategic risks. DPC's divisions are responsible for identifying and managing operational risks. ARMC oversees the department's risk management system and it is a standing agenda item at their quarterly meetings. The DPC Risk Committee that reports to the CGG, refers matters to the ARMC for consideration.

Internal audit

During 2017–18 the internal audit service was managed by the department's Director of Internal Audit and Risk with delivery of the program being outsourced to a third-party provider, KPMG.

Internal audit provides independent assurance and advice to the Director-General, senior management and the ARMC. It enhances the department's corporate governance environment through an objective, systematic approach to evaluating the effectiveness and efficiency of processes, internal controls and risk management practices. This is in accordance with the role detailed in the *Financial Accountability Act 2009*.

The internal audit function operates in accordance with an approved Internal Audit Charter that incorporates professional standards and the *Queensland Treasury Audit Committee Guidelines Improving Accountability and Performance*. The function is independent of the activities it reviews, of management and of the QAO. The internal audit function is monitored to ensure it operates effectively, efficiently and economically.

Key achievements for 2017–18

▶ Developed an internal audit plan based on strategic risks and operational risk registers and presented the plan to the Director-General for approval.

▶ Successfully executed the internal audit plan, providing reports to the ARMC and Director-General.

▶ Monitored and reported on the status of implementation of internal audit recommendations to the ARMC.

▶ Supported management by providing advice on corporate governance and related issues including fraud and corruption prevention programs and risk management.

External scrutiny

External audits and reviews add value to the public sector through recommendations that improve business operations. In 2017–18, the following reports were published by the QAO that were relevant to DPC.

QAO Report 6: 2017–18 — Fraud risk management

This report examined how departments are working to effectively manage and identify fraud risks. To effectively manage and identify fraud risks, an agency needs to examine its business environment to understand its potential exposure to fraud. The report concluded that agencies that do not dedicate sufficient time and resources to understanding their fraud risks can be exposed without realising it. As a result, they may over or under control their fraud risks, investing too much or too little in fraud risk management.

The department is committed to enhancing its fraud controls and has agreed to implement the recommendations of this report.

QAO Report 8: 2017–18 — Confidentiality and disclosure of government contracts

This report examined compliance to the model of openness adopted by the Queensland Government through the routine release of information to the public. The QAO also set out to assess the extent and appropriateness of the use of confidentiality provisions in Queensland Government contracts. The QAO concluded that they were unable to do this because the five audited departments' contract registers lacked sufficient information.

While most Queensland Government contracts contain general confidentiality provisions, the QAO identified only a few examples of contracts containing specific confidentiality provisions at the five departments audited.

DPC is committed to providing open and transparent information through the release of information to the public. DPC supports the recommendations raised and has reviewed internal data collection and reporting systems to improve the accuracy of contract disclosure data and recording specific confidentiality provisions.

**QAO Report 11: 2017–18 — 2016–17
Results of financial audits**

This report summarises QAO's financial audit results for all entities owned or controlled by the Queensland Government, analysing the financial position, performance, and sustainability of the Queensland Government, as reported in the consolidated state government financial statements. It also summarises the timeliness and quality of financial reporting by public sector entities. The Auditor-General has certified without qualification that DPC has complied with financial management requirements, the financial statements were accurate and fair and that DPC met the statutory timeframes for the preparation of the financial reports for 2016–17.

Information systems and recordkeeping

The department purchases transactional processing services from Queensland Shared Services and uses the whole-of-government systems for finance and human resource management services respectively.

DPC uses several separate electronic document and records management systems to provide secure, effective and efficient management of:

- ► Cabinet submissions and related documents
- ► Executive Council Minutes and related documents
- ► departmental and portfolio agency records including ministerial and executive correspondence.

These business systems are based on commercial electronic document and records management system (eDRMS) that have varying degrees of configuration and customisations to support approved business processes. These business systems have enhanced information and cyber security.

DPC continued its commitment to quality records management with the provision of policies, processes and systems to support sound business decision making and accountability.

Key achievements for 2017–18

- ► Successful upgrade of eDRMS to ensure ongoing industry vendor support and added business functionality.
- ► Successful migration of Executive Council Minutes to eDRMS with enhanced business functionality and information security.
- ► Over 500 staff across DPC and portfolio agencies completed face-to-face security training in best-practice password management.

Future directions for 2018–19

- ► Identify opportunities to build upon the department's 'paperlite' culture for enhancing business processes, reduce reliance on physical paper records, and foster good recordkeeping practices.
- ► Identify opportunities to leverage the department's investment in its eDRMS business systems with improved reporting and briefing portals.

Open data

The following datasets are published on the open data website at www.data.qld.gov.au

- ► consultancies
- ► language services
- ► overseas travel.