


**DEPARTMENT OF THE PREMIER AND CABINET and PUBLIC SERVICE COMMISSION
AUDIT AND RISK MANAGEMENT COMMITTEE**

25 November 2020

8:30am – 10:30am

Training Room 14.02, Level 14, 1 William Street and Microsoft Teams (MT)

Members	Chair Independent member Independent member Deputy Commissioner, PSC Deputy-Director General, Corporate and Government Services	Bronwyn Morris AM Susan Rix AM Phil Hennessy AO Megan Barry Filly Morgan
Attendees	Director-General Commission Chief Executive, PSC Director, Internal Audit and Risk Services Director, Corporate Governance A/Chief Finance Officer A/Chief Information Officer Principal Advisor, Governance and Business Services, PSC Partner, EY Senior Manager, EY Director, QAO Senior Manager, QAO A/Director, Human Resource Services (for agenda item 7.1)	Dave Stewart (MT) Robert Setter (MT) Christopher Smith Kate McNarn Michael Phillips Ian Gibson Nikolai Nehring  Paul Christensen Alan Flynn Elizabeth Buckby
Apologies	General Manager, Corporate Services Business Manager, Governance and Business Services, PSC	Libby Gregoric Zoe Winter
Secretariat	A/Principal Advisor, IA&RS	Kathy Reeve

1. Preliminary Matters

Presenter: Chair

Discussion:

- 1.1 The Chair opened the meeting and welcomed Nikolai Nehring. Elizabeth Buckby to join the meeting for agenda item 7.1. Apologies were received from Libby Gregoric and Zoe Winter. The Chair called for declarations of interest. No declarations were made.
- 1.2 The minutes of 18 August 2020 were approved.
- 1.3 The action log has one open item. The action log was noted.
- 1.4 The incoming correspondence register was noted.
- 1.5 The out-of-session register was noted.
- 1.6 The Committee noted the workplan and tracker. The 2021 workplan and tracker will be presented at the next meeting.

Decision:

- The Committee **approved** the minutes of the ARMC meeting held on 18 August 2020.
- The Committee **noted** the action log, incoming correspondence register, out-of-session register, and the workplan and tracker.

Action:

- The 2021 ARMC workplan and tracker be presented at the next meeting.

2. Internal Audit

Presenter: Christopher Smith / 

Discussion:

- 2.1 Internal Audit Activity (September 2020 to November 2020)
 - The papers were taken as read.

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- The Director-General Briefing Note (DGBN) regarding Ministerial Expense Claims quarter three 2019-20 has since been noted and will be added to Convene.
- There are four draft audit reports outstanding from the 2019-20 audit plan. The draft reports are in the process of being finalised.
- Two audits have been completed from the 2020-21 audit plan. The audits related to assurance activities for the Information Security Management System (ISMS) framework and Essential 8 Assurance.
- The work undertaken by EY and the Information Technology Services team to finalise the reports was acknowledged.

2.2 DPC and PSC recommendations register

- The paper was taken as read.
- Recommendations with multiple components will be separated for the purposes of transparency.

2.3 Review of Internal Audit Charter

- The paper was taken as read.
- The Internal Audit Charter has been expanded to formalise the governance arrangements for internal audit reports.
- The Committee requested timeframes for the handling of internal audit reports be reviewed to shorten the period from when the draft report is provided to the business to review, to when the report is issued as final.
- The Committee requested tighter mitigation timeframes be implemented for extreme and high rated audit recommendations.

Decisions:

- The Committee:
 - **noted** the status of open and recently completed audit recommendations for DPC and PSC.
 - **noted** proposed changes to the Internal Audit Charter.

Action:

- Review and reduce timeframes for the handling of internal audit reports.
- Review timeframes for the implementation of extreme and high rated audit recommendations.
- When advising the Committee that an internal audit report has been uploaded to Convene, provide a brief summary of the report's findings.

3. DPC and PSC Risk Management Update

Presenter: Christopher Smith / Ian Gibson / Nikolai Nehring

Discussion:

3.1 New and emerging risks

- The papers were taken as read.
- There is a minor machinery of government (MoG) change for DPC with the transfer of the Anzac Day Trust Fund from the Office of Industrial Relations to the Office for Veterans.
- Lessons learnt from a recent ransomware attack on a third party provider are being collated.

3.2 DPC and PSC Cyber Security Presentation

- Ian Gibson provided a presentation about DPC and PSC Cyber Security.
- ISMS and Essential 8 Assurance maturity ratings will be provided to the Committee.
- The Committee requested that information be included on the Cyber Security Dashboard regarding how cyber security incidents are managed.
- The Chair commented that cyber security information is not always reported to the Committee and requested that information continues to be provided to the Committee.
- The Committee noted the cyber security presentation.

3.3 DPC Risk Management Update

- The papers were taken as read.
- The Head of Internal Audit and Risk Services is working closely with Information Services on the implementation of the ISMS framework.

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<ul style="list-style-type: none">- Current risk ratings that are lower than the target risk ratings should be reviewed to ensure the target risk rating is correct. <p>3.4 PSC Risk Management Update</p> <ul style="list-style-type: none">- The papers were taken as read.- The PSC risk management approach is maturing with the alignment of project, operational and strategic risks.
<p>Decisions:</p> <ul style="list-style-type: none">- The Committee:<ul style="list-style-type: none">- noted the information provided in relation to new and emerging risks.- noted the cyber security presentation- noted the DPC risk management update.- noted the PSC risk management update.
<p>Action:</p> <ul style="list-style-type: none">- Information about ISMS and Essential 8 maturity ratings be provided to the Committee.- Cyber Security is to be added to the ARMC Workplan as a standing agenda item.- The Cyber Security Dashboard be expanded to include how cyber security incidents are managed.- Where the DPC current risk rating is lower than the target risk rating, review the target rating to confirm it is correct.
<p>4. DPC and PSC Corporate Governance Update</p>
<p>Presenter: Kate McNarn / Nikolai Nehring</p>
<p>Discussion:</p> <p>4.1 DPC Corporate Governance Update (July 2020 to November 2020)</p> <ul style="list-style-type: none">- The paper was taken as read.- The annual test of business continuity plans has been completed. Learnings from the test are being collated and will be reflected in plans. <p>4.2 PSC Corporate Governance Update (July 2020 to November 2020)</p> <ul style="list-style-type: none">- The paper was taken as read.- The role of the PSC Board has been expanded to include accountability for the six streams of work under the Savings and Debt Plan, and accountability for the implementation of the MoG changes.
<p>Decisions:</p> <ul style="list-style-type: none">- The Committee:<ul style="list-style-type: none">- noted the DPC Corporate Governance update.- noted the PSC Corporate Governance update.
<p>Action:</p> <ul style="list-style-type: none">- Nil.
<p>5. CFO Report</p>
<p>Presenter: Michael Phillips</p>
<p>Discussion:</p> <p>5.1 CFO Report</p> <ul style="list-style-type: none">- The papers were taken as read.- Funding for the Office for Veterans and the COVID-19 Response and Recovery Taskforce has been confirmed.- The Committee commented that the Screen Queensland (SQ) loan book requires close monitoring.- The extension to the SQ loan book was presented to the Caretaker Advisory Group. As special arrangements apply during a caretaker period, a decision could not be taken that would commit an incoming government to a new agreement. <p>5.2 CFO draft Assurance Plan 2020-21</p> <ul style="list-style-type: none">- The paper was taken as read.

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- The 2020-21 CFO Assurance Plan will be expanded to include the Anzac Day Trust Fund, the impacts of cyber security, and assurances from third party providers regarding their controls.
- The Chair requested Screen Queensland be included in the 2020-21 Assurance Plan.

Decisions:

- The Committee:
 - **noted** the DPC and PSC financial performance at 31 October 2020.
 - **noted** the Director-General's Reserve balance at 31 October 2020.
 - **noted** the CFO draft Assurance Plan 2020-21.

Action:

- Screen Queensland to be included in the 2020-21 CFO Assurance Plan.

6. External Audit Update

Presenters: Paul Christensen / Alan Flynn / Christopher Smith

Discussion:

6.1 QAO Update

- The papers were taken as read.
- QAO will monitor the outcome of the State Budget and will assess if there are any impacts on the draft DPC and PSC external audit plans.
- QAO will monitor any impacts that may arise from the MoG changes with the transfer of the Anzac Day Trust fund to the DPC.
- The QAO Strategic Audit Plan 2020-23 has been released.

6.2 DPC/PSC implementation of QAO recommendations

- The paper was taken as read.
- Actions for the sector from QAO Insight Reports will be captured in the DPC/PSC QAO recommendations register. If appropriate, commentary will be provided and the recommendation will be marked as closed.

6.3 Summary from the QAO Audit Report: *Establishing Effective Audit Committees*

- The paper was taken as read.
- There are no recommendations for the Committee to action.
- There is one Queensland Treasury (QT) recommendation that involves DPC, and the recommendation has been added to the DPC/PSC QAO recommendations register for tracking.
- The Director-General and the Commission Chief Executive would like to meet twice a year with external members.
- The Chair is comfortable with the composition of the Committee and acknowledged the support provided by the internal members.

Decisions:

- The Committee:
 - **noted** the External Audit update for DPC and PSC.
 - **noted** the update on QAO recommendations.
 - **noted** the actions in the QAO Audit Report: *Establishing Effective Audit Committees* and the department's response.

Action:

- External members to meet twice a year with DPC and PSC Accountable Officers.

7. Working for Queensland Employee Opinion Survey

Presenter: Elizabeth Buckby / Nikolai Nehring

Discussion:

7.1 Survey Results – DPC

- The Chair welcomed Elizabeth Buckby to the meeting.
- The papers were taken as read.
- DPC's response rate of 93% exceeded the sector response rate of 43%.

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<ul style="list-style-type: none">- The results have been discussed with Management. Team briefings will be completed in December 2020. <p>7.2 Survey Results – PSC</p> <ul style="list-style-type: none">- The papers were taken as read.- PSC’s response rate was 97%.- Survey results have been discussed at an All Staff Forum.
<p>Decisions:</p> <ul style="list-style-type: none">- The Committee noted the DPC and PSC Working for Queensland Employee Opinion Survey results.
<p>Action:</p> <ul style="list-style-type: none">- Nil.
<p>8. Other Business</p>
<p>Presenter: Christopher Smith</p>
<p>Discussion:</p> <p>8.1 Draft ARMC Annual Report</p> <ul style="list-style-type: none">- The draft report outlines the key achievements of the Committee including the internal audit reports delivered in 2019-20.- The report will be finalised once the audit reports for the 2019-20 have been finalised.- The Chair thanked business areas for the support provided to the Committee in 2020.
<p>Decisions:</p> <ul style="list-style-type: none">- The Committee noted the verbal report about the draft ARMC Annual Report.
<p>Action:</p> <ul style="list-style-type: none">- The ARMC 2019-20 Annual Report will be provided to external members out-of-session to approve before distribution to Accountable Officers.

Meeting closed 10:28am

Next meeting: TBA

Released under the
Official Information Act 2009

Department of the Premier and Cabinet (DPC) and the Public Service Commission (PSC) Audit and Risk Management Committee Meeting

Schedule	Wednesday 25 November 2020, 8:30 AM — 10:30 AM AEST
Venue	Training Room 14.02, Level 14, 1 William Street, Brisbane and Microsoft Teams
Organiser	Kathy Reeve

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