

Governance - Risk management and accountability

Risk management

The Public Trustee views risk management as the responsibility of the whole office. Risk management is not just the responsibility of a nominated few officers in the organisation but is enshrined in the culture, organisational structure, policies, practices and processes of the organisation. Risk management is championed by senior management.

Our risk management policy was approved in March 2015 and the risk management procedures guide in June 2015. Our risk management policy was developed in accordance with *AS/NZS ISO 31000:2009, Risk Management—Principles and Guidelines*, and has been designed to integrate risk management into standard business processes.

Consistent with our policies and practices, the ARMC, the CFO, Head of Internal Audit and the Director Governance and Executive Directorate, advise on and monitor:

- fraud and corruption control
- business continuity planning
- insurance coverage
- sources of assurance including internal controls.

Governance and Executive Directorate

The Governance and Executive Directorate was established in late 2011 and is responsible for the essential components of effective governance including compliance, conformance and reporting, within the organisation. The directorate reports directly to the Public Trustee and has 17 areas of responsibility, including the following:

- reviewing and evaluating governance arrangements
- co-ordinating information and decision support
- ensuring internal conformance and accountability
- overall responsibility for assisting in planning and performance monitoring
- co-ordinating external compliance and accountability including annual reporting and strategic planning
- business continuity planning
- responsibility for the fraud and corruption control framework
- responsibility for the risk management framework
- responsibility for the management of complaints process
- responsibility for the project management office.

The directorate is responsible for the effective implementation and compliance of particular legislative imperatives within the organisation. These include the:

- *Right to Information Act 2009*
- *Information Privacy Act 2009*
- *Public Interest Disclosure Act 2010.*

During the 2014–15 financial year the directorate made a concerted effort to reduce the organisations susceptibility to fraud and corruption. The Public Trustee has a comprehensive Fraud and Corruption Control Framework in place which consists of the following:

- Fraud and Corruption Control Policy
- Fraud and Corruption Procedures
- Fraud and Corruption Control Plan, and
- Fraud and Corruption Control mandatory online compliance training.

Employees are required to undertake the mandatory compliance training annually. To successfully complete the training, employees must obtain a 100% pass mark.

The policy and procedures were reviewed and approved by the EMT in November 2014. In March 2015, the fraud and corruption control framework, in particular the policy and procedures, were assessed against the findings of the Crime and Corruption Commission (CCC) publication titled *“Corruption in the public sector: the big issues, lessons from investigations by the Crime and Corruption Commission, 2009–14”*. In completing this assessment a number of recommendations were identified to improve the fraud and corruption control framework. The major recommendation is the development and implementation of a Corrupt Conduct Policy.

External scrutiny

In 2012-13, the Public Trustee was one of three entities reviewed by the Queensland Audit Office (QAO) in relation to Fraud Risk Management. The results of the Fraud Risk Management Review were included in the *“Auditor General of Queensland’s Report to Parliament No. 9: 2012-13”* tabled in March 2013.

The Report to Parliament contained three valuable recommendations to improve fraud risk management within the Public Trustee. The recommendations were accepted with action taken to implement those recommendations. In February 2015, the QAO sought advice as to the Public Trustee’s progress in implementing those recommendations. The Public Trustee confirmed that all the recommendations had been implemented.

Internal Audit

Audit and Evaluation Unit

The Audit and Evaluation Unit provides independent, objective assurance and consulting activity to improve the operational performance of the Public Trustee.

The role of the unit is defined in our Audit and Evaluation Charter which is endorsed by the ARMC. The unit operates in accordance with the *Audit Committee Guidelines: Improving Accountability and Performance (Queensland Treasury)*, approved by the Public Trustee. The charter has regard to the *Financial and Performance Management Standard 2009* and the standards of auditing as disseminated by the Institute of Internal Auditors.

Our unit is autonomous and reports directly to the Public Trustee. Our strong links with the QAO provide the foundation for a collaborative audit approach to ensure optimal audit coverage across all areas of the organisation.

The current Head of Audit and Evaluation Unit is appropriately qualified and holds the following qualifications:

- Bachelor of Commerce (Honours)
- Certified Internal Auditor (CIA)
- Certification in Control Self-Assessment (CCSA)
- Certified Financial Services Auditor (CFSA)
- Certified Information Systems Auditor (CISA).

During the 2014–15 financial year the Audit and Evaluation Unit conducted independent reviews and audits of our internal controls, business processes and management practices.

The unit provides the following types of audits:

- Financial and compliance audits
- Operational and efficiency audits
- Information system audits
- Investigations.

Our Strategic and Annual Internal Audit Plan is developed in consultation with key stakeholders and takes into account the significant risks identified by management through the Risk Management Framework.

The operations of Audit and Evaluation are overseen by ARMC.

Our key achievements for 2014–15 included:

- reviewing Client Services and corporate operations to provide the Executive Director Investment Services and CFO with assurances to support sound processes and procedures underpinning the financial statements
- providing information papers for general consumption to both Client Services and across support activities, to raise awareness of current issues being encountered and to assist directors and managers to understand and address topical issues
- ongoing development of the unit's Computer Assisted Audit Techniques (CAATS) which has been progressed to introduce continual monitoring of payments. Further reporting requirements have been developed to assist with the expansion of CAATS that is supported by the recent introduction of data analysis software
- assessment of external risks identified through communications with other organisations
- reviewing the unit's audit management software to ensure the timely review and implementation of past issues and recommendations
- developed and implemented data analytics to identify transactions requiring further review
- providing advice, support and guidance to staff to assist in satisfactorily discharging their responsibilities in accordance with the Public Trustee policies and procedures.

Audit committee

Refer to page 28 for details about the ARMC.

Information systems and recordkeeping

The Public Trustee continues to progress towards compliance with the *Public Records Act 2002*, and the principles contained in Information Standard 40: Recordkeeping.

The recordkeeping framework continues to be refined to assist with the Public Trustee's current recordkeeping compliance.

Some of the areas identified that have, or are being implemented include:

- review of recordkeeping policies and procedures to incorporate changes and enhancements within the Public Trustee
- online training program for recordkeeping and file management completed and incorporated into the mandatory compliance training program
- disposal of all Public Records undertaken in accordance with the Public Trustee approved Retention and Disposal Schedule (QDAN 651) and the General Retention and Disposal Schedule for Administrative Records
- upgrade of the Public Trustee electronic Document and Records Management System (eDRMS) completed to ensure reliability, performance and security of electronic records
- the Public Trustee's eDRMS has been implemented within the following corporate areas:
 - Marketing and Communications
 - Information Services
 - Property
 - Human Resource Management
 - Governance and Executive Directorate

The Public Trustee continues to ensure initiatives are implemented to progress recordkeeping strategies and assist with compliance and efficiencies to continue to support our clients.