

Governance risk management and accountability

Risk and Audit Committee

The Risk and Audit Committee consists of a minimum of three and a maximum of six independent non-executive directors comprised from the Board. Remuneration of the committee is noted in note E3 of the Financial Statements and paid in accordance with the [Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies](#). A summary of committee membership (as at 30 June 2022) is outlined below.

COMMITTEE MEMBER	COMMITTEE ROLE
Sarah Morris	Committee Chair
Flavia Gobbo	Independent non-executive member
Michael Clifford	Independent non-executive member
John Crittall	Independent non-executive member

The CEO, Deputy CEO, Chief Legal Officer (Company Secretary), internal audit and external audit all have a standing invitation to attend Committee meetings. Members of senior management are invited where required.

The Committee meet quarterly and during 2021-2022 met 4 times, fulfilling its responsibilities as per the Risk and Audit Committee Charter. Key achievements included:

- Endorsing the 2020-2021 Financial Statements for WorkCover Queensland and the WorkCover Employing Office
- Approving the 2021-2022 Internal Audit Plan
- Approving the Internal Audit Charter
- Endorsing the Risk and Audit Committee Charter, and

- Approving the Risk Management policy, Environmental policy, Ethics policy, PID policy, Compliance policy.

Risk management

WorkCover is committed to the implementation of our risk management program throughout the organisation, including setting the risk appetite, periodic review and monitoring the treatment of the top strategic and corporate risks. Our executive risk management framework and risk management policy are consistent with the principles in ISO 31000:2018 Risk Management - Guidelines and meets the requirements of the Financial Performance Management Standard 2019.

Our approach to risk management is aimed at embedding a risk aware culture throughout the organisation. This includes establishing an appropriate structure and clear lines of responsibility to systematically identify, evaluate, and manage key risks associated with our business activities. Emerging trends are identified, assessed, monitored and reported on through a dedicated framework to support timely understanding and escalation of the trends identified. We publish our risk management statement on our [website](#).

WorkCover's risk management policy was endorsed through the year by the Risk and Audit Committee and approved by the Board. During the year, the Board also participated in a risk workshop to review and set the risk appetite statements and discuss our corporate risks.

WorkCover's quality assurance programs form part of our compliance and risk management frameworks. These programs emphasise continuous improvement, is aligned to ISO Compliance management systems and is designed to assess the effectiveness of internal controls in place to manage risks and identify areas for improvement. Quality

assurance program reporting is provided quarterly to the Risk and Audit Committee.

As part of WorkCover's commitment to proactively managing our business continuity risks, during the year we implemented a structured training program for our key crisis control team and backups. WorkCover's business continuity management plans have been developed to minimise the impact of a crisis on our customers, stakeholders and employees, and were reviewed and tested during the year. Through our effective business continuity management, WorkCover successfully navigated the continued impacts of COVID-19, and weather events on our daily operations, resulting in continuation of services with no major interruptions.

Employer compliance

WorkCover has a dedicated customer audit and intelligence team who work with Queensland employers, to ensure they are aware of their obligations to maintain adequate cover when engaging workers. The team is both responsible for auditing Queensland businesses, as well as managing WorkCover's uninsured employer compliance. The team maintains a balanced compliance strategy by providing targeted education and monitoring of employer compliance across the state.

Audit targets and site visit selection occurs using detailed data analysis and data sharing to highlight non-compliant businesses throughout Queensland. This involves strong working relationships with the Australian Taxation Office, the Queensland Revenue Office and the Labour Hire Licensing Compliance Unit to ensure a uniform compliance approach across Queensland.

Compliance audits

366 targeted employer policy compliance audits and classification rating reviews were conducted. Audited employers had an 80% non-compliance rate with the total amount of premium and penalties raised from compliance audits and reviews at \$9.5M.

Site visits and uninsured employers

Industry trend information and data mining on business information, locations and growth were used to select 803 employer site visits and ad-hoc provisional coverage reviews. These visits and reviews recouped \$2.7M of additional premium and penalties from uninsured and under-insured employers.

Additionally, 155 new uninsured claims were identified which resulted in \$4.5M in uninsured claims costs and penalties being raised against employers who had failed to hold their compulsory accident insurance policy at the time a claim for compensation was lodged.

Internal audit

The internal audit function supports the Risk and Audit Committee by providing independent and objective risk-based assurance advice, with the purpose of evaluating and improving the effectiveness of WorkCover's risk management, control and governance processes.

The internal audit function is currently outsourced to a third party internal audit contractor, appointed by the Risk and Audit Committee. The internal audit function operates independently from management and WorkCover's external auditor. The internal audit function operates under an approved Internal audit charter which formalises the role, authority, responsibility, scope and operational framework of WorkCover's internal audit function, consistent with relevant assurance and professional ethical standards.

Each year, the internal audit contractor prepares an internal audit plan, which outlines the internal audit activities to be performed during a financial year. The Risk and Audit Committee approve the internal audit plan and monitor the performance of the internal audit function, with due regard to the Audit committee guidelines: improving accountability and performance. The 2021–2022 internal audit plan was approved during the May 2021 Risk and Audit Committee meeting.

During the 2021–2022 financial year, 11 internal audit engagements were completed as per the annual internal audit plan, with 1 additional audit in progress at 30 June 2022. At the completion of each engagement, the internal auditors report their findings

and recommendations to the Risk and Audit Committee. All recommendations arising from the completed internal audit engagements have either been implemented or, are on track to be implemented, within agreed timeframes. The internal audit plan's coverage over WorkCover's key risks is reviewed regularly using an assurance map and discussions with key stakeholders.

External audit

The external audit function for WorkCover is performed by the Queensland Audit Office (QAO) with recommendations reported and monitored by the Risk and Audit Committee. The external audit plan is approved by the Risk and Audit Committee each year with the current plan approved at the November 2021 Risk and Audit Committee meeting.

Key findings from the external auditor can be found in the external audit report with our financial statements.

External oversight

During the year, WorkCover was included as a part of the Office of the Information Commissioner's (OIC) audit on Awareness of Privacy Obligations. Managing privacy obligations is a key part of WorkCover delivering services and maintain public trust. As at 30 June 2022, this review was still underway. WorkCover awaits any findings or recommendations from the OIC.

The Chair and CEO meet with the Minister on a regular basis to discuss relevant matters, including the quarterly report which includes progress against our Statement of Corporate Intent objectives. The CEO and Deputy CEO also meet quarterly with representatives from the Office of Industrial Relations and Queensland Treasury to discuss WorkCover's financial and operational performance.

Under the Act, the Minister is required to ensure that a review of the workers' compensation scheme's operational effectiveness be undertaken at least once every five years. The last review was undertaken in 2017-2018, with the next review due in 2022-2023.

Privacy

WorkCover is committed to protecting the privacy of customers, employees and third parties in accordance with the *Information Privacy Act 2009* (IP Act), which governs how information is collected, used, stored and disclosed by Queensland Government agencies. All disclosures of personal information by WorkCover are managed under this IP Act, the *Right to Information Act 2009* (RTI Act) or the Act.

WorkCover has a Privacy Committee that meet quarterly and are responsible for the promotion of privacy principles and oversight to achieve compliance. Privacy awareness is encouraged through initiatives such as participation in Privacy Awareness Week. Additionally, employees undertake annual privacy training as part of their induction and refresher training. The Board and Risk and Audit Committee receive updates on privacy matters at each meeting.

Information systems and recordkeeping

WorkCover employees are responsible for keeping and maintaining records which are stored through WorkCover's claims and policy information system (claim and policy records) and through an integrated electronic records system for corporate records. Annual compliance training is completed to ensure all staff are aware of their obligations under the *Public Records Act 2002*.

Public records are being retained in line with WorkCover's Records governance policy, the Queensland State Archives' General Retention and Disposal Schedule and WorkCover Queensland's State Archives approved Retention and Disposal Schedule. No records were transferred to the Queensland State Archives during the 2021-2022 financial year. No breaches of the retention and disposal schedules have been reported during the year, with no records reported as missing or lost during the same period.

Open Data

WorkCover has published information through the Open Data online portal, in accordance with the mandatory open data reporting requirements.