

# CORPORATE GOVERNANCE

## Strategic planning

A four-year corporate plan and one-year statement of corporate intent are prepared annually and approved by the Minister in accordance with the [Workers' Compensation and Rehabilitation Act 2003](#) (the 'Act'). The corporate plan summarises our vision, values, goals, strategies and performance indicators. The plan forms the basis for the group operational business plans, which outline how we will achieve our business objectives. Group business plans include the key financial and operational performance indicators, which are used to measure and monitor our performance. Our statement of corporate intent outlines our objectives and major activities, and specifies various financial and non-financial performance targets for the financial year.

## Board of Directors

Chapter 8 of the Act outlines the functions and powers of WorkCover. Section 424(1) of the Act provides for the establishment of the WorkCover Board (the 'Board'). The Board's role is set out in section 427 of the Act. The [Board charter](#) specifies the responsibilities of the Board collectively and individually, and has been made available on our [website](#).

The Board consists of a maximum of nine independent non-executive directors appointed by the Governor in Council for a term of not more than five years. The Governor in Council also appoints the Board Chair and Deputy Chair and determines the terms of appointment including remuneration. Directors are appointed on the basis of their experience and knowledge.

Information on directors' and executives' benefits is detailed in note E3 of the financial statements.

## Directors' length of service

Director	First appointed	End date
Flavia Gobbo, Chair	1/07/2014	30/06/2020
Roslyn McLennan, Deputy Chair, People Committee Chair	7/07/2016	08/07/2019
John Crittall	1/07/2012	30/06/2020
Kerriann Dear	1/07/2017	30/06/2020
Ian Leavers	1/07/2012	30/06/2020
Michael Roche, Risk and Audit Committee Chair	1/07/2017	30/07/2019*
Lyn Rowland	1/07/2017	30/06/2020
Ben Swan	1/07/2017	30/06/2020
Sarah Morris	16/02/2018	30/06/2020

\*Michael Roche sadly passed away in July 2019.

## Risk and Audit Committee

The role of the Risk and Audit Committee is to assist the Board in fulfilling its corporate governance responsibilities. The committee reports directly to the Board on matters pertaining to WorkCover's risk governance framework, including:

- the reliability and integrity of financial information for inclusion in annual reports
- the integrity of internal control framework
- compliance with legislative, regulatory, and governance requirements
- oversight of the risk management framework, and
- safeguarding the independence of the internal and external auditors.

The [Risk and Audit Committee Charter](#) guides the committee, its structure and its specific roles and responsibilities under the [Financial Accountability Act 2009](#) and the [Financial and Performance Management Standard 2009](#). The committee monitors its performance against the terms of the charter, with due regard to Queensland Treasury's [Audit Committee Guidelines: Improving Accountability and Performance](#). In discharging its duties, the committee has considered all audit recommendations as made by the external auditor.

### Committee membership

The committee consists of a minimum of three and a maximum of six independent non-executive directors, drawn from the Board, that meet quarterly. A summary of committee membership (as at 30 June 2019) is set out below.

Risk and Audit Committee	
Committee member	Committee role
Michael Roche	Committee Chair
Flavia Gobbo	Independent non-executive member
Roslyn McLennan	Independent non-executive member
Sarah Morris	Independent non-executive member

## People Committee

The role of the People Committee is to assist the Board in fulfilling its corporate governance responsibilities. The committee reports directly to the Board on matters pertaining to WorkCover's people matters, including:

- the development of terms and conditions of the Executive and senior management contracts and remuneration
- strategies, organisational policies and processes, including but not limited to:
  - employment terms
  - staff remuneration and contracts
  - termination payments
  - succession planning
  - industrial relations
  - talent and capability
  - attraction and retention
  - training and development
- ensuring sound processes are developed for performance evaluation and determination of levels of remuneration for the Executive and senior management
- giving guidance to the Chair regarding the annual evaluation of the performance of the CEO.

The People committee charter guides the committee, its structure and its specific roles and responsibilities.

## Committee membership

The committee consists of a minimum of three and a maximum of five independent non-executive directors, drawn from the Board, that meet quarterly. A summary of committee membership (as at 30 June 2019) is set out below.

People Committee	
Committee member	Committee role
Roslyn McLennan	Committee Chair
Flavia Gobbo	Independent non-executive member
Michael Roche	Independent non-executive member
Lyn Rowland	Independent non-executive member

## Directors' meetings

During the year, WorkCover held seven Board meetings, four Risk and Audit Committee meetings and three People Committee meetings. The CEO attends all Board meetings and members of the executive leadership team are invited to present and discuss relevant issues. A register of directors' interests is updated at each Board meeting to avoid any conflicts of interests and minutes are recorded and maintained in accordance with best practice.

A summary of attendance of directors at meetings is set out below:

Director	Board meetings		Risk and Audit Committee meetings		People Committee meetings	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
Flavia Gobbo	7	7	4	4	3	3
Michael Roche	7	7	4	4	3	3
Roslyn McLennan	7	6	4	4	3	3
Sarah Morris	7	6	4	4	-	-
John Crittall	7	7	-	-	-	-
Kerriann Dear	7	6	-	-	-	-
Ian Leavers	7	7	-	-	-	-
Lyn Rowland	7	7	-	-	3	3
Ben Swan	7	6	-	-	-	-

## Senior executives

The CEO assesses performance of senior executives on an annual basis as part of the organisation's performance review process. The Board also assesses the performance of the CEO as part of this process.

## Customer and stakeholder feedback

WorkCover recognises the importance of complaints management as being inherent to delivering a quality customer experience. We support the rights of our customers and stakeholders to have their complaints heard and actioned appropriately. We are committed to resolving complaints quickly and objectively and believe that all customer and stakeholder feedback, both positive and negative, presents opportunities for continuous improvement.

WorkCover maintains a complaints management framework in accordance with section 219A of the [Public Service Act 2008](#) and the AS/NZS ISO10002–2014: Guidelines for complaints management in organisations. A copy of WorkCover's [Customer Complaints Policy](#) has been made available on the WorkCover [website](#). WorkCover's management of complaints is monitored to ensure compliance with the statutory, policy and reporting requirements concerning stakeholder feedback.

## Mandatory open data reporting

WorkCover has reported online information concerning the amount incurred for consultancies, overseas travel and the provision of language services, as per the mandatory open data reporting requirements.

# Ethics, Compliance and Risk Management

## Ethics

Ethics provide the overarching principles and rules that govern the behaviour of WorkCover's people and also considers the impact on the community and environment. WorkCover has well established policies, procedures and practices that seek to promote ethical standards of behaviour and a culture of compliance that embraces compliance with organisational, legal and regulatory obligations. The expectation that employees and officers act with integrity, honesty and accountability are reflected in WorkCover's [Code of conduct](#).

## Code of conduct

Board members and employees are expected to maintain the highest level of ethical standards whilst performing their duties. WorkCover's [Code of conduct](#) supports our values providing a framework for high ethical standards and has been written to align with the requirements of the [Public Sector Ethics Act 1994](#) (PSEA). The assertions of integrity and accountability are integrated into WorkCover's strategies, objectives and actions. The [Code of conduct](#) is communicated to our people through the corporate induction program and is available on the WorkCover intranet and [website](#). Our people receive annual refresher training on this document and the PSEA in general. All relevant internal policies and practices align with the code and the PSEA, including the ethical principles and values as detailed in the PSEA. All employees are required to comply with the code and any non-compliance may result in disciplinary action, which could include termination of employment.

The Board is bound by ethical standards outlined in the Act, which requires directors to act honestly, disclose interests, exercise diligence and not use information or their position inappropriately. Directors are also bound by the PSEA and WorkCover's [Code of conduct](#), on which they annually receive the same training as staff. Additionally, the Board follows the guidelines set out in [Welcome Aboard: A Guide for Members of Queensland Government Boards, Committees and Statutory Authorities](#) as issued by the Department of the Premier and Cabinet.

## Compliance

WorkCover maintains a number of policies and procedures detailing our compliance obligations in accordance with relevant legislation, regulations and codes of practice. We continually monitor our systems and processes to ensure we maintain compliance with these obligations via an annual compliance calendar. Progress against the annual compliance calendar is reported to the Risk and Audit Committee on a quarterly basis.

## Risk management

WorkCover is committed to effectively managing risk in the pursuit of our objectives. Our risk management framework is consistent with the principles set out in AS/NZS ISO 31000:2018 Risk Management – Guidelines and meets the requirements of the [Financial and Performance Management Standard 2009](#).

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 designed to systematically identify, evaluate and manage key risks associated with our activities.

Our [risk management statement/overview](#) is available on our [website](#).

## 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 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. The internal audit function is currently outsourced to an internal audit contractor, appointed by the Risk and Audit Committee. The internal audit function operates independently from management and WorkCover's external auditor.

Each year the internal audit contractor prepares a strategic internal audit plan, which outlines the assurance 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](#).

During the 2018–2019 financial year, 11 internal audit engagements were completed as per the annual internal audit plan. At the completion of each engagement, internal audit report their findings and recommendations to the Risk and Audit Committee, including risks that have been identified during fieldwork. 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 through the use of an assurance map.

## External scrutiny

A number of state bodies have been established by legislation to provide independent scrutiny of government (and statutory body) performance, including assurance of WorkCover's performance. These include the Office of the Auditor-General, the Queensland Ombudsman and the Crime and Corruption Commission (the 'CCC').

During the year, the CCC completed an audit on the way WorkCover conducts corruption risk assessments. The objectives of the audit were to determine whether WorkCover is identifying corruption risks (other than or beyond, fraud) and to assess the effectiveness of corruption risk assessment processes, aimed at reducing the potential for corruption within and against WorkCover. All recommendations arising from the CCC findings have been accepted and are either implemented, or are on track to being implemented as agreed.

Section 584 of the Act requires 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 WorkCover Queensland committing to implement the recommendations.

## Quality assurance reviews

Our quality assurance reviews form part of our compliance and risk management frameworks. The quality assurance programs emphasise continuous improvement and align with AS/ISO 19600:2015 Compliance management system. The quality assurance reviews are designed to assess the effectiveness of controls implemented to manage risks and to identify potential areas for improvement to our processes.

## Training and development

WorkCover is committed to ensuring the ongoing capability and capacity of our people through the continued investment and development of our leadership and technical training competencies delivered throughout the year.

As part of this commitment, all employees complete regular training to keep up to date with compliance and industry requirements and for professional development.

## Customer audit and intelligence

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 initiatives to best focus the team's attention on non-compliant businesses throughout Queensland. This includes strong working relationships with the Australian Taxation Office and the Queensland Office of State Revenue to ensure a uniform compliance approach across Queensland.

The following activities were undertaken throughout the year:

#### **Compliance audits**

- 864 targeted employer audits
- These audits found 596 employers that were non-compliant with the Act representing a 70% non-compliance rate
- Total amount raised from compliance audits was: \$12.5M.

#### **Site visits and uninsured employers**

- 1096 random site visits were conducted including 581 in regional locations
- Industry trend information and data mining on business locations and growth were used to select these site visits
- Total amount raised from uninsured claims was: \$4.8M.

## Recordkeeping

All employees at WorkCover are responsible for keeping and maintaining records which are stored through WorkCover's Claims and Policy Information System for our claims and policy records and through an integrated electronic records system for all corporate records. Annual compliance training is completed to ensure all employees are aware of their obligations under the [Public Records Act 2002](#). This is essential training given all claims and policy records have been digitised since 2008 and corporate records since 2014.

The approach to recordkeeping was reviewed throughout the year to ensure continuous improvement strategies are implemented to maintain the quality and compliance of all records.

Public records are being retained in line with WorkCover's recordkeeping policy, the Queensland State Archives' General Retention and Disposal Schedule for Administrative Records and WorkCover's Queensland State Archives approved Retention and Disposal Schedule, which was last reviewed in May 2014. No records were transferred to the Queensland State Archives during the 2019 financial year. Additionally, no breaches of the retention and disposal schedules were noted during the year, with no records being reported as missing or lost during this same period.

## Privacy

WorkCover is committed to protecting the privacy of customers, staff 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 private and 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 responsible for the promotion of privacy principles throughout the organisation. The committee actively encourages privacy awareness through initiatives such as the participation in Privacy Awareness Week, which highlights to our employees, the importance and value of protecting personal information, and how to achieve compliance with the Information Privacy Principles. Additionally, employees undertake annual privacy training in accordance with our compliance program.

## Workplace Health and Safety

WorkCover is committed to maintaining a safe working environment, preventing workplace injuries and appropriately managing injuries should they occur. The focus on a zero harm at work safety culture and early intervention resulted in all workers' compensation claimants returning to work.

WorkCover provides and maintains safe equipment for employees and undertakes scheduled safety inspections throughout the year. WorkCover continues to monitor our compliance with the [Work Health and Safety Act 2011](#).

The Workplace Health and Safety Committee maintains its commitment to foster open communication with workers and transparency with executive management. Throughout the year, the committee has continued

to engage employees on the obligations, expectations, and due-diligence required of those who work within the organisation.

Refer to the Engaged people section of our annual report for more information on other initiatives WorkCover delivered in 2018–2019 to promote a safe and healthy working environment for employees.

## Business continuity management

Business Continuity Management is the proactive approach of managing processes and resources for continued achievement of critical objectives, during a time of crisis and or disruption. WorkCover's business continuity and disaster recovery plans have been developed to minimise the impact of a crisis on our customers, stakeholders and employees, and are reviewed and tested on a regular basis.