



Board Audit and Risk Committee Charter



Our vision

Caring for our communities - *healthier together*

Our values

- **Compassion** – We engage with others and demonstrate empathy, care, kindness, support and understanding.
- **Integrity** – We are open, honest, approachable, equitable and consistent in everything we do.
- **Dignity** – We treat others with respect, display reasonableness and take pride in what we do.
- **Innovation** – We embrace change and strive to know more, learn more and do better.
- **Courage** – We respectfully question for clarity and have the strength and confidence to Speak Up.

Darling Downs Hospital and Health Service Board Audit & Risk Committee

Version control

The first version was formally approved by the Darling Downs Hospital and Health Board on 24 July 2012.
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An electronic version of this document is available at https://www.health.qld.gov.au/__data/assets/pdf_file/0025/427570/ddhhs-auditriskcharter-0717.pdf

Board Audit and Risk Committee

1. Introduction

This document, to be known as the Board Audit and Risk Committee Charter, has been approved by the Darling Downs Hospital and Health Service Board ('the Board').

The purpose of the charter is to outline the role, responsibilities, composition and operating guidelines of the Board Audit and Risk Committee ('the Committee') in accordance with the *Hospital and Health Boards Regulation 2023* and the *Financial Accountability Act 2009*.

2. Role of the Board Audit and Risk Committee

The role of the Committee is to provide independent assurance and assistance to the Board on the Darling Downs Hospital and Health Service's (DDHHS):

- Risk, governance and compliance frameworks
- External accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, *Auditor-General Act 2009*, *Financial Accountability Regulation 2019*, and the *Financial and Performance Management Standard 2019*.
- Internal Audit function

The Committee has an oversight role and does not replace management's primary responsibilities for the management of the operations of the Darling Downs Hospital and Health Service.

The Committee will provide prompt and constructive reports on its findings directly to the Board, highlighting issues it considers are not being adequately addressed by management. The minutes of the Committee meeting will be promptly provided to the Board.

Board members have a responsibility to promote a culture committed to lawful and ethical behaviour.

3. Authority

The Committee has no executive powers.

The Committee is a "prescribed committee" under Part 9, s44 of the *Hospital and Health Boards Regulation 2023*. The Committee is an advisory group of the Board. In discharging its responsibilities, the Committee has the authority to:

- Recommend investigations into matters within its scope of responsibility
- Access information, records and personnel of the DDHHS for such purpose
- Request the attendance of any employee, including executive staff, at Committee meetings
- Conduct meetings with DDHHS internal and external auditors, as necessary
- Seek advice from external parties, as necessary

4. Scope of the Board Audit and Risk Committee

The Committee is directly responsible and accountable to the Board for the exercise of its duties and responsibilities.

In carrying out its duties and responsibilities, the Committee must at all times recognise that primary responsibility for governance and performance of the DDHHS rests with the Board.

The Committee's duties and responsibilities are to:

Financial Statements

- Assess the adequacy of the DDHHS financial statements, having regard to the following:
 - » The appropriateness of the accounting policies and assumptions made in preparing the financial statements
 - » Compliance with prescribed accounting standards
 - » Satisfactory explanation for any unusual transactions, or trends or material variations from budget
 - » Information provided by the DDHHS about the accuracy and completeness of the financial statements
- Review, with management, the internal and external auditors the results of the external audit and any significant issues identified.

Internal Control

- Review, through the audit planning and reporting process of internal and external audit, the adequacy of the internal control structure and systems, including information technology security and control.
- Review, through the audit planning and reporting process of internal and external audit functions, whether relevant policies and procedures are in place and up to date, including those for the management and exercise of delegations, and whether they are being complied with in all material matters.

Internal Audit

- Review the Internal Audit Charter as required.
- Review the adequacy of the budget, staffing, skills and training of the internal audit function, having regard to the DDHHS risk profile.
- Review and recommend to the Board for approval the Internal Audit strategic and annual plan, scope and progress, and any significant changes, including any difficulties or restrictions on scope of activities, or significant disagreements with management.
- Review the proposed Internal Audit Plan for the coming year to ensure that it covers key risks and that there is appropriate co-ordination with the external auditor.
- Review and monitor Internal Audit reports and action taken including audit issues remaining unresolved.
- Review and assess performance of the Internal Audit operations against the annual and strategic audit plans.
- Monitor developments in the audit field and standards issued by professional bodies and other

regulatory authorities, in order to encourage the usage of best practice by Internal Audit.

- The Chair and other independent members may hold executive sessions with Internal Audit if required.
- Review the Internal Audit structure, independence and access to Senior Management, BARC and the Board.
- Endorse and recommend to the Board for approval any major changes to the Internal Audit structure, appointment or replacement of the Internal Auditor.

External Audit

- Consult with external audit on the proposed audit strategy, audit plan and audit fees for the year.
- Review the findings and recommendations of external audit and the response to them by management.
- Assess whether there is a material overlap between the internal and external audit plans.
- Assess the extent of reliance placed by the external auditor on internal audit work and monitor external audit reports and the DDHHS response to those reports.

Compliance

- Determine whether management has considered legal and compliance risks as part of the DDHHS risk assessment and management arrangements.
- Review the effectiveness of the compliance management framework in identifying, managing and monitoring significant compliance risks.
- Overseeing compliance management processes and reporting.

Risk Management

- Lead the DDHHS strategic direction in the management of corporate and clinical risks.
- Consider risk related matters arising from other Board Committees.
- Review the effectiveness of the risk management framework in identifying, managing and monitoring significant strategic and business risks including fraud.

Work Health & Safety

- Assess the status of the organisational Safety and Wellbeing risk profile for DDHHS and the progress of treatments and actions to address risk items.
- Review progress of the Safety and Wellbeing System audit actions that are being delivered under the WHS System Improvement Program.

Recipient	Report	Frequency	Responsibility
Board	Board Audit and Risk Committee Minutes	After each meeting	Secretariat
Board	Annual report summarising the committee's activities for each financial year for the annual report	Annually	Chair
Board	Recommend, for Board approval, the program of planned internal audit activities for the coming year	Annually	Chair
Board	Matters for attention of the Board	As required	Chair

Report	Description / Type	Frequency	Responsibility
Internal Audit Strategic Plan (including annual audit plan)	An outline of areas to be reviewed, the objectives of those reviews and an estimate of resources required for each review. Indicative plans for the next two years with planned reviews and predicted budgets	Annually prior to the start of the audit period	Internal Audit
Internal Audit Progress Report	Progress against the annual audit plan	Each meeting	Internal Audit
Internal Audit reports	Reports for completed audits	As required in accordance with the annual audit plan	Internal Audit
External Audit Client Strategy, Interim Audit Report, Final Audit Report and Progress Reports	Annual audit plan, audit issues reported and progress against client strategy	As required in line with Client Strategy	External Audit
Audit & Risk Dashboard Report	Annual Review of strategic risks, Quarterly risk profile.	Each meeting	Risk Manager
Compliance Management Report	Compliance breach reporting and assurance activities.	Each meeting	Compliance Manager
Safety & Wellbeing Report	Safety and wellbeing risk profile and system audit reports	Each meeting	Executive Director Workforce
Advice from Board Safety & Quality Committee	Any clinical risks to be referred	As needed	BSQC Chair
Board Audit and Risk Committee	Evaluation	Annually (February)	Board Secretary

The Committee may also receive reports/presentations from other employees or external agencies as and when required or where relevant to the Committee's functioning.

Issue Escalation

- Significant issues identified or issues unable to be resolved by the Committee are escalated to the Board.

5. Risk Management

The Committee is to adopt a pro-active approach to risk management within the parameters of the Board Risk Appetite Statement.

The Committee will:

- » Identify risks and mitigating strategies with all decisions and recommendations made;
- » Implement processes to enable the Committee to identify, monitor and arrange management of risks as they relate to the scope of the Committee.

6. Work Health & Safety

The Board is committed to ensuring the health and safety of workers and others, so far as is reasonably practicable and in doing so complies with its primary duty of care under the *Work Health and Safety Act 2011*.

The *Work Health and Safety Act 2011* imposes an obligation on officers (including the Board) to exercise due diligence with respect to the management of health and safety. Due diligence requires officers to be proactive in ensuring they comply with their duties and obligations.

The Darling Downs Health Safety Management System (SMS) sets out how we systematically manage workplace safety and wellbeing risks that may impact our workers, contractors, patients, visitors and volunteers.

Roles and responsibilities relating to officers are documented in:

- Department of Health – Health, safety and wellbeing governance standard
- Department of Health – Health, safety and wellbeing governance guideline
- Darling Downs Health Safety Management System Manual
- Darling Downs Health Safety and wellbeing governance and accountability procedure
- Darling Downs health Safety and wellbeing accountability matrix.

7. Sub-committees

The Committee is part of the DDHHS's corporate governance framework. To the extent that there is any overlap in the responsibilities of the Committee and other committees of the Board, those committees shall, directly or through the Board or management, endeavour to ensure that the overlap is dealt with in an appropriate manner. The Committee shall refer any issues that relate more appropriately to another committee to that other committee.

Each committee shall consult, where necessary, with the other committees to ensure that the committees' plans are consistent with each other and with the DDHHS Strategic Plan.

8. Key Performance Indicators/Deliverables

Domain	Performance Indicator	Assessment/ Reporting Timeframe	Responsible Officer
1. Financial Performance Management Standard 2019 2. NSQHS Standards	Review and endorsement of the HHS Risk Management and Compliance Management frameworks, consistent with parameters set by Board	Every three (3) years	Risk and Compliance Managers
1. Financial Performance Management Standard 2019 s26(2)...a strategic audit plan that provides an overall strategy for the internal audit function for a period of at least 1 year; and 2. (b) an audit plan, for each year, that sets out the audits intended to be carried out by the internal audit function during the year.	Endorsement of annual audit plan	30 June	Internal Audit
Financial Performance Management Standard 2019 s8(3) ...the internal control structure must provide for the efficient, effective and economical operation of the committee or function.	Evaluation of committee role	Annually	Board Secretary

9. Membership

The Committee shall have at least four (4) members. Members, including the Chair, will be members of the Board, and where the necessary skills do not exist on the Board, the Board may appoint an external member to the Committee.

The term of appointment ends on 30 April 2025 and can be extended for a further term subject to an assessment of individual member performance and the composition and skill requirements of the Committee.

It is preferable to have at least one (1) committee member with 'financial expertise'. A financial expert would generally include a person who is a qualified accountant, who is a current member of one of the professional accounting bodies in Australia and who has relevant financial experience in professional accounting as per the Queensland Treasury Audit Committee Guideline. The Board may appoint an external party that meets this requirement, if necessary, on an as needs basis.

It is preferable to have at least one (1) committee member who is also a member or the Chair of the Board Safety & Quality Committee.

Chair

- Professor Julie Cotter

Members

- Ms Marilyn Strohfeldt
- Ms Trish Ledington-Hill
- Mr Terry Kehoe

Standing Invitees

Holders of the following positions may not be members of the committee however are invited to, and expected to attend each meeting:

- Health Service Chief Executive (HSCE)
- Director, Office of the HSCE
- Chief Finance Officer
- Executive Director Transformation, Analytics and Governance
- Executive Director Workforce
- Internal Audit Engagement Lead
- External Audit Manager
- Risk Manager
- Compliance Manager
- Board Secretary

In addition, the Queensland Audit Office will have a standing invitation to attend Committee meetings.

Proxies

- Proxies are not permitted if the member is unable to attend meetings
- Proxies are permitted if a standing invitee is unable to attend meetings

10. Quorum Arrangements

A quorum for a meeting of the Committee will consist of half of the members.

11. Other Attendees

Agency Liaison

The Committee shall liaise with other agency groups as required, to understand their roles in managing risks and maintaining adequate control frameworks and assess any gaps.

12. Frequency of Meetings

The Committee will meet at least four (4) times per year and the schedule of meetings will be agreed in advance, it is expected to be:

- Quarterly
- Fourth Tuesday of every 3 months (or as determined by the Committee)

13. Agenda, Papers, Minutes, Actions and Summary

The Committee should determine its own agenda, ensuring appropriate consultation to include emerging issues and emphasis on the most significant risks and threats.

Agenda

- Members wishing to place items on the agenda must notify the Secretariat at least 10 working days prior to the scheduled meeting.
- The agenda must be cleared by the Chair prior to distribution to Members.
- Agenda and relevant (supporting) papers will be sent out to all Members prior to the meeting.
- Late agenda items will be tabled at the discretion of the Chair.

Papers, Submissions and Reports

- Papers in respect to agenda items are to be supplied to the Secretariat no later than 10 days prior to the scheduled meeting via email to DDHHS_Board@health.qld.gov.au.
- Papers must be submitted on the correct briefing note template, available from the Secretariat.
- All papers must be submitted in Word format (as per original template).
- The numbers and names of electronic attachments must mirror the numbers and names used in the briefing note.

Minutes

- Minutes must be cleared by the Chair prior to distribution to Members.
- Minutes (and action items) will be distributed to all Members within 5 working days of the meeting.
- Minutes are included in the meeting papers
- Minutes are taken as draft until they are ratified at the next meeting of the committee.

14. Urgent out of session matters

Items can be managed Out-of-Session where:

- the item is urgent and must be considered before the next scheduled meeting;
- in circumstances when face-to-face meetings are not possible, to enable business to be progressed.
- Out of session matters must be minuted at the next meeting of the Committee.

15. Conflict of Interest

To meet the ethical obligations under the *Public Sector Ethics Act 1994*, Members must declare any conflicts of interest whether actual, potential, apparent, or appear likely to arise, and manage those in consultation with the Chair. This may relate to a position a member holds (e.g. Chair of an external organisation) or to the content of a specific item for deliberation.

Members of the Committee will, at all times in the discharge of their duties and responsibilities, exercise honesty, objectivity, independence and probity and not engage knowingly in acts or activities that have the potential to bring discredit to the DDHHS.

Members must refrain from entering into any activity that may prejudice their ability to carry out their duties and responsibilities objectively and must at all times act in a proper and prudent manner in the use of information acquired in the course of their duties.

Members must not use DDHHS information for any personal gain for themselves or their immediate families or in any manner that would be contrary to law or detrimental to the welfare and goodwill of the DDHHS.

16. Confidentiality

Members of the Committee may receive information that is regarded as 'commercial-in-confidence', clinically confidential or have privacy implications. Members acknowledge their responsibility to maintain confidentiality of all information that is not in the public domain.

17. Decision Making

Decisions are made by a majority of votes. Each member present at a meeting has a vote and if the votes are equal the member presiding has a casting vote. Members participating in a meeting by use of technology such as teleconferencing are taken to be present at the meeting.

A resolution is validly made by the Committee, even if it is not passed at a meeting if:

- a. a majority of the Committee members gives written agreement to the resolution; and
- b. notice of the resolution is given under procedures approved by the Committee.

18. Evaluation

The Board will develop an annual work plan. The work plan is linked to Board functions, the DDHHS Strategic Plan and Service Agreement, and details the activities to be completed by the Board and its Committee's during the financial year.

The Committee will be evaluated in terms of its performance against the approved Charter and the annual work plan through an annual self-assessment process.

Periodically the Chair will discuss professional development and training needs for all members

of the Committee. When needs are implied, the Secretariat will make arrangements for approved training requirements.

19. Secretariat

The Secretariat support will be provided by the Office of the Chief Executive. The role of the Secretariat is outlined in the Board Operational Guidelines.

20. Changes to the Charter

This charter may be altered following Committee consultation, endorsement by the Chair of the Committee and approval by the Board.

This charter will be reviewed in April of each year in conjunction with the annual Committee performance evaluation.

This Board Audit and Risk Committee Charter was formally approved by the Darling Downs Hospital and Health Board on 28 May 2024.

Signed by Dr Dennis Campbell

Signature

Dr Dennis Campbell

Board Chair

Darling Downs Hospital and Health Service