

C1 Risk management and internal audit

The Department's risk management framework is based on the Australian and New Zealand Standard (43:60). The Department's Audit Committee Charter reflects the Australian National Audit Office and the ACT Department of Treasury best practice guides for Audit Committees.

The Department's *2009-2010 Risk Management and Audit Plan* was endorsed in June 2009. Risks are identified and mitigated through the Department's internal governance controls including:

- *Risk Management Framework*
- *Strategic Risk Profile*
- *2009-2010 School Audit Program*
- *2009-2010 Risk Management and Audit Plan*
- *Fraud & Corruption, Prevention & Response Plan 2009-2011*
- detailed financial policies and controls, such as the *Chief Executive's Financial Instructions* and the *School Management Manual*
- Internal Audit Program
- detailed financial operating procedures and practices
- risk identification and analysis by directors and section managers.

The Department's risk management and internal audit functions are managed by the Chief Internal Auditor and senior staff of the Risk Management and Audit Section. The Section is complemented with additional resources through a panel of external audit service providers.

The Department's Executive and the Audit Committee receive regular risk management reports, providing an overview of significant risks, mitigation strategies, responsibilities and an oversight on the implementation of audit recommendations.

The Executive and the Audit Committee assist with the allocation of resources and timeframes to ensure appropriate mitigation and monitoring strategies are implemented. Monitoring and reporting on risk management occurs through:

- regular monitoring of outcomes by the Executive
- quarterly reporting to the Audit Committee
- quarterly reporting to the Board of Management (2009), Senior Management Group and Senior Executive Team (2010)
- implementation of internal and external audit recommendations.

The Department manages financial risks through a well-defined financial management framework that includes:

- clearly established ownership of internal budgets
- monthly variance reporting by senior management
- quarterly strategic review of financial performance and corrective actions as required by the Executive
- regularly updated financial procedures and practices documents
- provision of training to office and school- based staff.

The audits conducted in 2009-10 included:

- February 2010 school census
- review of the Schools Self-Audit Package and School Accountability Reporting
- English as a Second Language Program
- external audit on internal audit function
- Tertiary and Training Branch's
 - contract management
 - service delivery
 - ICT system and tools
- Chief Executive's Financial Instructions on Grants Administration
- Providing Safe Schools
- statutory obligations
- capital works and procurement
- expenditure/procurement practices for 17 schools
- receipting/general sales tax for 17 schools
- school self-assurance package for 17 schools.

The Audit Committee met five times during 2009-10. The Committee membership and attendance are displayed in the following table.

Members	Title	Period	Meetings attended
Ms Jenny Morison	Chairperson (external)	July 09 to June 10	5
Ms Diane Fielding	External member	July 09 to June 10	4
Ms Diane Joseph	Internal member	June 10	0 ¹
Mr Phillip Tardif	Internal member	July 09 to June 10	3
Ms Jayne Johnston	Internal member	July 09 to June 10	3
Ms Leanne Cover	Internal member	June 10	0 ¹
Mr Wayne Chandler	Internal member	July 09 to Nov 09	2 ²

Notes:

1. Appointed at June 2010 Audit Committee meeting.
2. Mr Chandler (internal member) retired in November 2009.

For more information contact:

Director Governance Branch

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