

# QGIF Child Abuse Claims

Internal Audit Report

July 2024

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QUEENSLAND TREASURY



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## Report on a Page

**Process context**

The Queensland Government Insurance Fund (QGIF) within Queensland Treasury is the managed fund established to oversee the Queensland Government's self-insurance scheme, including managing all claims centrally in accordance with government agencies' procurement requirements and Model Litigant Principles. A key workload within QGIF is the management of child abuse claims.

In 2017 the Queensland Government removed the statute of limitations for child abuse claims, leading to exponential growth in claims filed. As a result of that growing demand and the increased workload, funding for additional QGIF resources was sought and provided by CBRC and structural changes made to ensure dedicated functional focus within QGIF for child abuse claims. The increase in cases also caused challenges in Crown Law which was already resource constrained. As a result a panel of private law firms have been brought in to assist. Claims are managed using the Connect system, introduced to QGIF in 2016.

**Review objective and scope**

The objective of this internal audit was to consider processes and controls with relation to child abuse claims triaging, claim processing (including consideration of legislative timeframes) and management reporting. Consideration was also given to psychosocial risks.

**1482** claims as at 31 May 2024

**\$1.816 million** outstanding liability valuation

### Findings mapped to claims management processes



Findings		2.1	2.2	2.3	2.4	
Section 49 - Contrary to Public Interest			<p><b>QGIF's psychosocial risk management activities require uplift</b></p> <ol style="list-style-type: none"> <li>Complete a QGIF-specific psychosocial risk assessment, including mapping of current controls in place to risks and identification of risks requiring additional control activities.</li> <li>Define metrics to be tracked for the assessment of wellbeing within the Child Abuse Claims team.</li> </ol>	<p><b>Enhancements required to guidance materials governing claims management processes</b></p> <ol style="list-style-type: none"> <li>Create a central repository of all relevant child abuse claims governance documentation</li> <li>Consolidate and update guidance material for the child abuse claims process.</li> <li>Communicate updated guidance materials to the QGIF Child Abuse Claims team.</li> </ol>	<p><b>Inadequate documentation of supplier management and monitoring activities</b></p> <ol style="list-style-type: none"> <li>Define and implement supplier management processes and controls for panel law firms and Crown Law in line with Treasury contract management guidance.</li> </ol>	
Management Actions						Very High
						High
						Medium
						Low
						Process Improvement Opportunity

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<b>Period of Review</b>	April 2024 – May 2024
<b>Date of Final Report</b>	June 2024
<b>Review Sponsor</b>	Bill Dwyer, General Manager, QGIF
<b>Circulation</b>	<p>Audit and Risk Management Committee</p> <p><b>Other:</b></p> <p>Bill Dwyer, General Manager, QGIF</p> <p><small>Section 73 - Irrelevant Information</small> Director, Claims</p>

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## 1.0. Executive Summary

### 1.1. Background and Approach

In accordance with the FY2024 Internal Audit Plan, an internal audit engagement of the processes and controls with relation to child abuse claims triaging, claim processing and management reporting has been completed.

The Queensland Government Insurance Fund (QGIF) within Queensland Treasury is the managed fund established to oversee the Queensland Government's self-insurance scheme, including managing all claims centrally for all departments as per QGIF Policy, in accordance with insurance principles, Whole of Government Guidelines for responding to civil litigation involving child abuse, and Model Litigant Principles. A key workload within QGIF is the management of child abuse claims.

The Processing and Child Abuse Claims teams are responsible for the end-to-end claims management process, including claims intimations, triaging, decision-making, settlement, quantum assessment, litigation and finalisation. Claims are managed using the Connect system. In 2023, QGIF engaged a panel of 10 private law firms to assist Crown Law in managing increased case volumes<sup>1</sup>.

### 1.2. Scope and Objectives

The objective of this internal audit was to consider processes and controls with relation to child abuse claims triaging, claim processing (including consideration of legislative timeframes) and management reporting. Consideration was also given to psychosocial risks. See Appendix 1 for the full scope.

### 1.3. Summary of Key Observations

This internal audit has identified **one high, one medium and two low findings**. The following positive practices were identified during this audit:

- The Child Abuse Claims team has implemented processes and controls in the management of abuse claims to ensure compliance with Model Litigant Principles, Whole of Government Guidelines for responding to civil litigation involving child abuse and legislation including the establishment of KPIs in relation to timeframes, quality reviews over case files, and strategic meetings to determine appropriateness of litigation.
- Preventative controls are enforced by the Connect system in the claims management process, including:
  - Segregation of duties across the intimations of claims, creation and approval of settlements and quantum assessments, and closure of cases.
  - System-based workflows for key approvals and reviews.
- The Child Abuse Claims team uses a suite of PowerBI reports to measure and monitor the team's KPIs. These KPI dashboards are used to prepare monthly managers reports and are discussed during one-on-one meetings with managers.

Control gaps identified relate to:

- **Section 49 - Contrary to Public Interest**
- Psychosocial risk management activities require uplift through the performance of a QGIF psychosocial risk assessment. Performance metrics and measures require development to ensure wellbeing hazards are identified and appropriate controls are implemented.
- The QGIF Child Abuse Claims team's uplift governance documentation for the claims management process, including defining roles and responsibilities, referencing relevant legislation, and defining reporting requirements requires improvement.
- Key supplier management activities and oversight mechanisms are not adequately defined and documented.

<sup>1</sup> In 2017 the Queensland Government removed the statute of limitations for child abuse claims, leading to a large growth in claims filed. As a result of that growing demand and the increased workload, funding for additional QGIF resources was sought and provided by

CBRC. In 2023, Crown Law agreed to direct cases to external panels due to resourcing constraints. QGIF implemented an overflow panel with 10 firms from the Whole of Government Legal panel. **Section 49 - Contrary to Public Interest**

Please see Appendix 2 – Summary of Work Performed for a complete overview of the procedures performed against the areas of scope. The selection of samples for testing considered factors such as: coverage of time period, frequency of control occurrence, population size etc.

The findings propose agreed management actions aimed to strengthen the control environment. Please see Appendix 3 for the classification of internal audit findings. The following table summarises the findings.

See section 2 for details of findings and agreed management actions.

Description	Rating
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## Section 49 - Contrary to Public Interest

QGIF's psychosocial risk management activities require uplift	<b>Medium</b>
Enhancements required to guidance materials governing claims management processes	<b>Low</b>
Inadequate documentation of supplier management and monitoring activities	<b>Low</b>

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## 2.0 Findings and agreed management actions

This outlines detailed findings from the review. These findings have been discussed with management, and actions have been agreed to address the issues raised.

# Section 49 - Contrary to Public Interest

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2.2 QGIF's psychosocial risk management activities require uplift	Priority	<p style="text-align: center;"><b>Medium</b>  <i>Consequence Area/s: Workplace health and safety</i>  <i>Consequence: Moderate</i>  <i>Likelihood: Possible</i></p>
Observation	Risks	Agreed Management Action
<p><b>Background/Context</b></p> <p>From 1 April 2023, regulations on psychosocial wellbeing in the workplace released by Safe Work Australia were adopted by Queensland to further strengthen the Work Health and Safety Act 2011. These regulations impose a duty to manage and implement control measures for psychosocial risks in workplaces. To ensure compliance with regulations, a psychosocial risk assessment should be performed to identify and assess all potential psychosocial hazards, and the severity and likelihood of these hazards on wellbeing. In response these new requirements, Treasury commenced a psychosocial risk assessment program in mid-2023, and there is an ongoing program for progression of the process for 2024 and beyond.</p> <p>QGIF has acknowledged a heightened level of psychosocial risk in the Child Abuse Claims team due to staff exposure to 'sensitive/graphic matters pertaining to liability claims.'</p> <p><b>Observations</b></p> <p>The QGIF has implemented a wellness policy and the risk register includes a psychosocial risk in relation to staff vicarious trauma resulting from sensitive/graphic matters pertaining to liability claims. Psychosocial safety initiatives, processes and activities (e.g., vicarious trauma training, mandated 20-minute breaks and mandated manager training) have been implemented within the Child Abuse Claims team. However, a psychosocial risk assessment has not been performed to identify, assess, and manage psychosocial hazards.</p> <p>Performance metrics such as separations, ADOs, sick and recreation leave are monitored but the metrics have not been defined within the QGIF Claims teams to understand and assess the level of wellbeing. It is noted that commentary on wellbeing is provided within monthly reports and is a standing agenda item at team meetings. However, without defined measures and metrics in place, targeted wellbeing initiatives are more difficult to implement and measure.</p>	<ul style="list-style-type: none"> <li>• Non-compliance with the Managing the risk of psychosocial hazards at work code of practice, resulting in reputational damage, prosecution and/or financial penalties.</li> <li>• Employee wellbeing risks and hazards are not understood, identified, monitored, managed and escalated, resulting in employee psychological harm.</li> <li>• Wellbeing programs and initiatives are not informed by a risk or needs assessment. As a result, initiatives do not address key risk areas, reducing their effectiveness.</li> </ul>	<ol style="list-style-type: none"> <li>1. Complete a QGIF-specific psychosocial risk assessment, including mapping of current controls in place to risks and identification of risks requiring additional control activities.</li> <li>2. Define metrics to be tracked for the assessment of wellbeing within the Child Abuse Claims team, potentially including:             <ol style="list-style-type: none"> <li>a) Level of unplanned/personal leave</li> <li>b) Reported psychosocial hazards and incidents (for both excessive incidents and potential under-reporting)</li> <li>c) Working for Queensland survey results</li> <li>d) Staff turnover</li> </ol> </li> </ol> <p><b>Action Officer:</b> <small>Section 73 - Irrelevant Ir</small>, <b>Director Operations, QGIF</b>  <b>Responsibility:</b> <b>Bill Dwyer, General Manager, QGIF</b>  <b>Implementation date:</b> <b>25 June 2025</b></p>

2.3 Enhancements required to guidance materials governing claims management processes	Priority	<p style="text-align: center;"><b>Low</b>                      Consequence Area/s: Reputation / Service Delivery                      Consequence: Minor                      Likelihood: Unlikely</p>
Observation	Risks	Agreed Management Action
<p><b>Background/Context</b></p> <p>The QGIF Child Abuse Claims Team has developed internal guidance materials to support the claims management process. This includes 'How To' guides, process maps, checklists, and reference guides.</p> <p><b>Observations</b></p> <p>A review of existing guidance material identified gaps in the following areas:</p> <ul style="list-style-type: none"> <li>• <b>Reference to compliance obligations:</b> Reference to relevant legislative obligations and requirements, including reference to the Personal Injury Proceedings Act (PIPA), Model Litigant principles, etc.</li> <li>• <b>QGIF roles and responsibilities:</b> Roles, responsibilities and expectations for the Intimations Team, Claims Officers, Principal Claims Officers, Senior Claims Officers, Managers, etc. are not clearly defined within governance documentation or within any sort of RACI.</li> <li>• <b>Distinction of roles and responsibilities between QGIF and suppliers:</b> Roles, responsibilities and expectations between QGIF and panel firms/Crown Law.</li> <li>• <b>QGIF reporting requirements:</b> QGIF reporting requirements on child abuse claims, including content and frequency of monthly managers meetings, QGIF monthly update reports, and the QGIF Governance Committee update.</li> </ul> <p>It was also noted that there is currently no central repository for internal guidance documentation, including process maps, how to guides, reference guides, etc.</p>	<ul style="list-style-type: none"> <li>• Insufficient guidance and governance may result in inconsistent or sub-optimal practices, exposing QGIF to reputational harm.</li> </ul>	<ol style="list-style-type: none"> <li>1. Create a central repository of all relevant child abuse claims governance documentation.</li> <li>2. Consolidate and update guidance material for the child abuse claims process, including:                         <ol style="list-style-type: none"> <li>a) References to application legislation</li> <li>b) Further clarification of roles, responsibilities and expectations for internal team members</li> <li>c) Roles, responsibilities and expectations for panel firms and Crown Law</li> <li>d) Oversight activities including regular reporting and meetings</li> </ol> </li> <li>3. Communicate updated guidance materials to the QGIF Child Abuse Claims team.</li> </ol> <p><b>Action Officer:</b> <small>Section 73 - Irrelevant Information</small>, <b>Director, Claims</b>  <b>Responsibility:</b> <b>Bill Dwyer, General Manager, QGIF</b>  <b>Implementation date:</b> <b>25 June 2025</b></p>

2.4 Inadequate documentation of supplier management and monitoring activities	Priority	<p style="text-align: center;"><b>Low</b></p> <p style="text-align: center;"><i>Consequence Area/s: Reputation/Service Delivery</i></p> <p style="text-align: center;"><i>Consequence: Minor</i></p> <p style="text-align: center;"><i>Likelihood: Unlikely</i></p>
Observation	Risks	Agreed Management Action
<p><b>Background/Context</b></p> <p>In 2017 the Queensland Government removed the statute of limitations for child abuse claims, leading to a large growth in claims filed. As a result, a panel of 10 private law firms were brought in to assist Crown Law and QGIF in April to October 2023. The firms are on the Whole of Government Legal Panel, and partly managed by the relevant Legal Panel Manager within the Department of Justice and Attorney-General. There are currently over 1400 open claims.</p> <p>The Whole of Government Procurement process defines contract and supplier management requirements. According to the Queensland Government's 'Managing and Monitoring Supplier Performance Guide', referenced within the Procedure, effective supplier performance management should entail performance monitoring, review meetings, KPI development and monitoring, etc. In addition, strategies should be implemented to deal with a supplier's poor performance, including progress meetings, escalation protocols and termination processes where required.</p> <p><b>Observations</b></p> <p>The QGIF Child Abuse Claims team have not defined and implemented key supplier management activities and controls over panel firms and Crown Law. As a result, there is an inability to ensure consistency and provide sufficient oversight over suppliers, as well as non-compliance with the Treasury Procurement Procedure. This includes no documentation of:</p> <ul style="list-style-type: none"> <li>• Oversight mechanisms.</li> <li>• Definition of roles and responsibilities.</li> <li>• Performance monitoring and performance reporting.</li> <li>• SLA monitoring and reporting.</li> <li>• Escalation and suspension protocols.</li> </ul>	<ul style="list-style-type: none"> <li>• Inconsistency and inefficiency of supplier delivery and performance.</li> <li>• Non-compliance with legislative requirements and timeframes, resulting in legal sanctions, reputational impacts and financial penalties.</li> </ul>	<ol style="list-style-type: none"> <li>1. Define and implement supplier management processes and controls for panel law firms and Crown Law in line with Treasury contract management guidance, including:             <ol style="list-style-type: none"> <li>a) Roles and responsibilities for supplier management</li> <li>b) Performance monitoring and reporting requirements, including over SLAs</li> <li>c) Escalation protocols for supplier issues</li> <li>d) Suspension protocols for underperforming suppliers</li> <li>e) Consideration of the role of the Department of Justice and Attorney-General Legal Panel Manager in the above processes</li> </ol> </li> </ol> <p><b>Action Officer:</b> <small>Section 73 - Irrelevant Information</small> n, Director, Claims  <b>Responsibility:</b> Bill Dwyer, General Manager, QGIF  <b>Implementation date:</b> 25 June 2025</p>

### 3.0 Appendices

#### 3.1. Appendix 1 – Scope

##### Internal Audit FY24 – QGIF Child Abuse Claims

###### Objective

The objective of this internal audit was to consider processes and controls with relation to child abuse claims triaging, claim processing (including consideration of legislative timeframes) and management reporting. Consideration was also given to psychosocial risks.

###### Background

The Queensland Government Insurance Fund (QGIF) within Queensland Treasury is the managed fund established to oversee the Queensland Government's self-insurance scheme, including managing all claims centrally in accordance with government agencies' procurement requirements and Model Litigant Principles. A key workload within QGIF is the management of child abuse claims.

In 2017 the Queensland Government removed the statute of limitations for child abuse claims, leading to exponential growth in claims filed. As a result of that growing demand and the increased workload, funding for additional QGIF resources was sought and provided by CBRC and structural changes made to ensure dedicated functional focus within QGIF for child abuse claims. The increase in cases also caused challenges in Crown Law which was already resource constrained. As a result, a panel of private law firms have been brought in to assist. Claims are managed using the Connect system, introduced to QGIF in 2016.

###### Risks

This internal audit was associated with the following risks:

- Child abuse claims are inefficiently and inaccurately managed, leading to negative outcomes for claimants as well as negative financial and reputational impacts for QGIF.
- Supporting tools for managing claims, such as Connect, do not enable efficient activities or enforce controls, limiting the effectiveness and timeliness of claims management processes.
- Third parties are not managed adequately, leading to inconsistent outcomes for claimants.

- Potential impacts of child abuse claims management on QGIF staff are not appropriately identified and managed, leading to poor psychosocial outcomes for staff and flow on effects for case management.

###### Scope

This internal audit reviewed the following:

- Processes and controls for claims triaging and processing:
  - Governance in place over claims triaging, investigation, decision-making and processing, includes documentation and oversight mechanisms.
  - Roles and responsibilities for processes across Queensland Treasury teams and external legal service providers.
  - Processes in place for ensuring compliance with legislative requirements and Queensland Treasury guidelines, including monitoring and escalation of issues.
- Use of relevant systems (including Connect) and their enforcement of defined controls:
  - Completion of processes within Queensland Treasury systems where possible to enable consistency of execution and central oversight of activities.
  - Enforcement of controls by systems, such as required approvals and segregation of duties.
  - Use of systems for monitoring of claims KPIs including timeframes.
- Consideration of supplier management controls in place to manage private law firms and Crown Law:
  - Communication of processes and expectations to external providers.
  - Oversight mechanisms for ensuring consistency of claims management and compliance with Queensland Treasury requirements.
- Management reporting in place over child abuse claims management, including reporting against defined KPIs and other metrics used to monitor progress.
- Consideration of the identification and management of staff psychosocial risks in the design of processes specified above.
- Testing of the effectiveness of identified controls on a sample basis.

### Timing and reporting

The proposed reporting timeframes relating to this internal audit are outlined in the below table:

Event	Expected date
Scoping	April
Fieldwork	April / May
Reporting	June
ARMC	July

### Resources

The following team members will be undertaking this review:

Team	Role	Contact Information
Section 73 - Irrelevant Information	Partner	Ph: Section 73 - Irrelevant Information E: Section 73 - Irrelevant Information
	Director	Ph: Section 73 - Irrelevant Information E: Section 73 - Irrelevant Information
	Manager	Ph: Section 73 - Irrelevant Information E: Section 73 - Irrelevant Information

### Endorsements & Approvals

This scope has been endorsed and approved by:

Endorsed by:	Role
Section 73 - Irrelevant Information	Director, Claims
Approved by:	Role
Bill Dwyer	General Manager, QGIF

### 3.2. Appendix 2 – Summary of Work Performed

Scope Area	Summary of work performed	Finding Reference
<p>Processes and controls for claims triaging and processing:</p> <ul style="list-style-type: none"> <li>• Governance in place over claims triaging, investigation, decision-making and processing, includes documentation and oversight mechanisms.</li> <li>• Roles and responsibilities for processes across Queensland Treasury teams and external legal service providers.</li> <li>• Processes in place for ensuring compliance with legislative requirements and Queensland Treasury guidelines, including monitoring and escalation of issues.</li> </ul>	<ul style="list-style-type: none"> <li>• Performed walkthroughs over the end-to-end claims management process to identify key controls and roles and responsibilities.</li> <li>• Reviewed 'How To' guides and supporting documentation against expected controls for QGIF Child Abuse Claims processes.</li> <li>• Performed walkthroughs with key stakeholders to confirm the alignment of documented processes to actual processes, including processes for ensuring alignment with Model Litigant Principles, Whole of Government Guidelines for responding to civil litigation involving child abuse and requirements under PIPA.</li> </ul>	<p><b>2.3</b></p>
<p>Use of relevant systems (including Connect) and their enforcement of defined controls:</p> <ul style="list-style-type: none"> <li>• Completion of processes within Queensland Treasury systems where possible to enable consistency of execution and central oversight of activities.</li> <li>• Enforcement of controls by systems, such as required approvals and segregation of duties.</li> <li>• Use of systems for monitoring of claims KPIs including timeframes.</li> </ul>	<ul style="list-style-type: none"> <li>• Performed walkthroughs with key stakeholders to understand the use of Connect throughout the end-to-end claims management process.</li> <li>• Tested the Connect system configuration, including testing of enforced delegations, segregation of duties, system enforced workflows and approvals. Subsequently, selected a sample of one (1) transaction and tested application of controls in the end-to-end claims management process.</li> <li>• Selected a sample of the 3 most recent examples of QGIF Connect user access reviews and confirmed:                         <ul style="list-style-type: none"> <li>a) User access reviews have been conducted at least 6 monthly</li> <li>b) Users no longer requiring access have been removed</li> </ul> </li> <li>• Performed a walkthrough of PowerBI dashboard reporting over QGIF Child Abuse Claims KPIs.</li> </ul>	<p><b>2.1</b></p>
<p>Consideration of supplier management controls in place to manage private law firms and Crown Law:</p> <ul style="list-style-type: none"> <li>• Communication of processes and expectations to external providers.</li> </ul>	<ul style="list-style-type: none"> <li>• Performed a walkthrough with key stakeholders and reviewed supporting documentation to understand how QGIF Child Abuse Claims have communicated expectations, SLAs and processes to crown law and panel firms.</li> </ul>	<p><b>2.3, 2.4</b></p>

<ul style="list-style-type: none"> <li>Oversight mechanisms for ensuring consistency of claims management and compliance with Queensland Treasury requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Performed a walkthrough with key stakeholders and reviewed supporting documentation to understand oversight mechanisms and supplier management activities, including SLA monitoring, performance monitoring and reporting, and escalation protocols.</li> </ul>	
<p>Management reporting in place over child abuse claims management, including reporting against defined KPIs and other metrics used to monitor progress.</p>	<ul style="list-style-type: none"> <li>Selected a sample of the last three Child Abuse Claims status update papers to the QGIF Governance committee and confirmed:                             <ul style="list-style-type: none"> <li>a) Status updates have been presented quarterly</li> <li>b) Papers include tracking of compliance with relevant requirements</li> <li>c) Monitoring and reporting over Crown Law/Panel Firms</li> </ul> </li> <li>Selected a sample of the last 2 monthly managers reports for each manager and tested:                             <ul style="list-style-type: none"> <li>a) Monthly report was completed for February and March</li> <li>b) Report provided sufficient detail, including updates on:                                     <ul style="list-style-type: none"> <li>i. Status of claims and claim portfolios</li> <li>ii. Conferences / mediations for the month</li> <li>iii. Team performance against KPIs</li> <li>iv. Quality reviews</li> <li>v. Wellbeing and team leave</li> <li>vi. Potential and listed stays / applications</li> </ul> </li> </ul> </li> </ul>	<p>N/A</p>
<p>Consideration of the identification and management of staff psychosocial risks in the design of processes specified above.</p>	<ul style="list-style-type: none"> <li>Reviewed documentation including the wellness policy and held discussions with key stakeholders to understand how psychosocial risks are identified, assessed and managed within the QGIF Child Abuse Claims team, including the development of wellbeing initiatives, measures and metrics in place, reporting and training provided to employees.</li> </ul>	<p><b>2.2</b></p>

### 3.3. Appendix 3 – Classification of Internal Audit Findings

Detailed below is the likelihood and consequence table used to assign an appropriate priority rating for issues identified in this review. This risk rating scale is aligned to the QT Risk Management policy and guidelines (Please refer to these documents for further information)

			Consequence – Refer to Consequence Ratings Table in the QT Risk Management Guidelines					
			Insignificant	Minor	Moderate	Major	Severe	
<b>Likelihood</b>	<b>Almost Certain</b>	<ul style="list-style-type: none"> <li>The event is expected to occur either immediately or within a short period of time (several times a year)</li> <li>More than 80% probability</li> </ul>	M	H	H	VH	VH	
	<b>Likely</b>	<ul style="list-style-type: none"> <li>The event will probably occur in most circumstances (once every 1 to 2 years)</li> <li>51 – 80% probability</li> </ul>	L	M	H	VH	VH	
	<b>Possible</b>	<ul style="list-style-type: none"> <li>Reasonable likelihood that the event will occur at some time (once every 2 to 5 years)</li> <li>11 – 50% probability</li> </ul>	L	M	M	H	VH	
	<b>Unlikely</b>	<ul style="list-style-type: none"> <li>Plausible but unlikely that the event will occur (once every 10 or more years)</li> <li>5 – 10% probability</li> </ul>	L	L	M	H	H	
	<b>Rare</b>	<ul style="list-style-type: none"> <li>The event will only occur under exceptional circumstances (once every 20 years or more)</li> <li>Less than 5% probability.</li> </ul>	L	L	M	M	H	
<b>Risk rating</b>	<b>L</b>	Low	<b>M</b>	Medium	<b>H</b>	High	<b>VH</b>	Very high

The below consequences rating table provides several categories to assist in assessing the consequences of a particular risk based on the applicable consequence types. Where a risk has multiple consequences and severity ratings differ, the consequence category providing the 'most conservative' result (i.e. the higher consequence rating) should be selected.

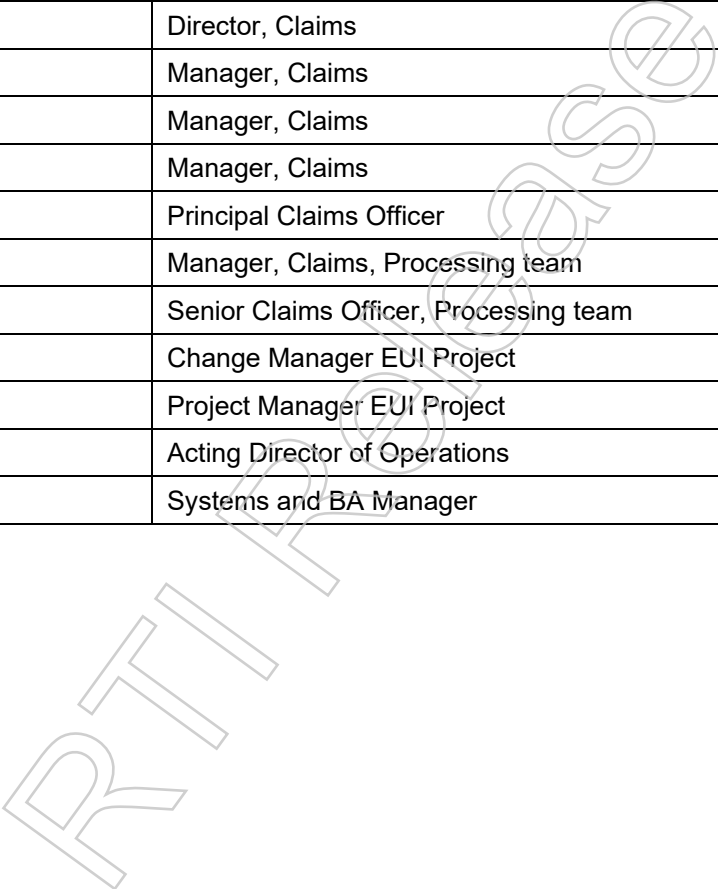
Consequence	Insignificant	Minor	Moderate	Major	Severe
<b>Financial</b>					
<b>Financial/Fiscal</b>	<ul style="list-style-type: none"> <li>&lt;1% impact to Treasury Annual Budget or State Budget/Fiscal position</li> <li>Balance sheet impact for government agency, e.g. cash flow/asset or liability value &lt;\$0.5 million</li> <li>Insignificant impact on project, program or service budget/finances, e.g. implementation of new technology is slightly behind schedule, over budget or under scoped</li> </ul>	<ul style="list-style-type: none"> <li>1-2% impact to Treasury Annual Budget or State Budget/Fiscal position</li> <li>Balance sheet impact for government agency, e.g. cash flow/asset or liability value \$0.5-1 million</li> <li>Minor but noticeable impact on project, program or service budget/finances, e.g. implementation of new technology is behind schedule, over budget or under scoped by 5%</li> </ul>	<ul style="list-style-type: none"> <li>2-5% impact to Treasury Annual Budget or State Budget/Fiscal position</li> <li>Balance sheet impact for government agency, e.g. cash flow/asset or liability value \$1-5 million</li> <li>Moderate impact on project, program or service budget/finances, e.g. implementation of new technology is behind schedule, over budget or under scoped by 10%</li> </ul>	<ul style="list-style-type: none"> <li>5-10% impact to Treasury Annual Budget or State Budget/Fiscal position</li> <li>Balance sheet impact for government agency, e.g. cash flow/asset or liability value \$5-20 million</li> <li>Major impact on project, program or service budget/finances, e.g. implementation of new technology is behind schedule, over budget or under scoped by 15%</li> </ul>	<ul style="list-style-type: none"> <li>&gt;10% impact to Treasury Annual Budget or State Budget/Fiscal position</li> <li>Balance sheet impact for government agency, e.g. cash flow/asset or liability value &gt;\$20 million</li> <li>Severe impact on project, program or service budget/finances, e.g. implementation of new technology is behind schedule, over budget or under scoped by 20%</li> </ul>
<b>Revenue exposure</b>	<ul style="list-style-type: none"> <li>&lt;0.01% impact on collectable revenue source</li> </ul>	<ul style="list-style-type: none"> <li>0.01%-0.1% impact on collectable revenue source</li> </ul>	<ul style="list-style-type: none"> <li>0.1%-1% impact on collectable revenue source</li> </ul>	<ul style="list-style-type: none"> <li>1-10% impact on collectable revenue source</li> </ul>	<ul style="list-style-type: none"> <li>&gt;10% impact on collectable revenue source</li> </ul>
<b>Non-financial</b>					
<b>Economic</b>	<ul style="list-style-type: none"> <li>Insignificant change to the economy through one channel of market or non-market risk</li> </ul>	<ul style="list-style-type: none"> <li>Minor change to the economy through one channel of market or non-market risk</li> </ul>	<ul style="list-style-type: none"> <li>Moderate shock to the economy through two channels of market or non-market risk</li> <li>Noticeable increase in State expenditure streams resulting in need for moderate re-allocation of resources</li> </ul>	<ul style="list-style-type: none"> <li>Major shock to the economy through one channel of market or non-market risk</li> <li>Major increase in State expenditure streams resulting in need for major re-allocation of resources</li> </ul>	<ul style="list-style-type: none"> <li>Severe shock to the economy through multiple channels of market or non-market risk</li> <li>Severe increase in State expenditure streams resulting in need for wholesale re-allocation of resources</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>Temporary (a few days) localised environmental damage</li> <li>No need for study, correction or penalties</li> </ul>	<ul style="list-style-type: none"> <li>Immediate (less than 6 months) environmental damage</li> <li>Damage is localised</li> <li>Study, correction and penalties are managed within operational budget</li> </ul>	<ul style="list-style-type: none"> <li>Short-term (6 months to 1 year) environmental damage</li> <li>Damage is mostly localised, but has some migration to other sites</li> <li>Requires less than \$1 million for study, correction and/or penalties</li> </ul>	<ul style="list-style-type: none"> <li>Medium-term (1-5 years) environmental damage</li> <li>Damage across multiple sites</li> <li>Requires \$1-5 million for study, correction and/or penalties</li> </ul>	<ul style="list-style-type: none"> <li>Long-term (5 years or longer) environmental damage</li> <li>Damage across multiple sites, and migrating beyond</li> <li>Requires greater than \$5 million for study, correction and/or penalties</li> </ul>
<b>Organisational effort</b>	<ul style="list-style-type: none"> <li>Minor business disruption or security threat that causes no material disruption to services. No impact on stakeholders. Incident absorbed by routine management.</li> </ul>	<ul style="list-style-type: none"> <li>Localised business disruption or security incident. Minimal impact to stakeholders. Readily contained and absorbed through local unit management intervention in contingency mode.</li> </ul>	<ul style="list-style-type: none"> <li>Moderate business disruption or security incident resulting in disruption to some critical services. Some inconvenience to stakeholders. Cross management intervention is required and effort in contingency mode.</li> </ul>	<ul style="list-style-type: none"> <li>Significant business disruption or security incident resulting in prolonged disruption to critical services. Considerable impacts to stakeholders. Substantial senior executive intervention is required and effort in contingency mode.</li> </ul>	<ul style="list-style-type: none"> <li>Extreme business disruption or security incident resulting in indeterminate prolonged suspension of critical services. Debilitating impact on stakeholders. Immediate senior executive and/or ministerial intervention required.</li> </ul>

Consequence	Insignificant	Minor	Moderate	Major	Severe
<b>Regulatory and legal</b>	<ul style="list-style-type: none"> <li>Breaches of a technical nature that do not expose Treasury to legal action and can be managed through routine activities.</li> </ul>	<ul style="list-style-type: none"> <li>Breach resulting in exposure to civil action but fairly unlikely.</li> </ul>	<ul style="list-style-type: none"> <li>Breach resulting in threats of legal action (civil and criminal); investigation by an administrative body; registrations, licenses or permits being revoked, or adverse comments made in audits or ministerial inquiries.</li> </ul>	<ul style="list-style-type: none"> <li>Breach resulting in ministerial inquiry, warnings to senior management, fines or litigation greater than \$500,000, registrations, licences or permits being revoked or closure of a few key services.</li> </ul>	<ul style="list-style-type: none"> <li>Breach resulting in parliamentary scrutiny, prosecution, imprisonment, fines or litigation greater than \$1 million or closure of multiple services.</li> </ul>
<b>Reputation</b>	<ul style="list-style-type: none"> <li>Some attention from minor stakeholders with little to no publicity, able to be resolved by routine management processes without impact to Treasury's reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Limited damage to the department's reputation; minor negative local publicity or dissatisfaction with Treasury by local stakeholder groups.</li> </ul>	<ul style="list-style-type: none"> <li>Some negative publicity or short-term damage to Treasury reputation at a state-wide level resulting in internal inquiry, potential for serious questions in parliament or disruption to some core services or loss of public confidence in Treasury.</li> </ul>	<ul style="list-style-type: none"> <li>Negative publicity or damage to Treasury's reputation at a national or state level resulting in ministerial inquiry, possible review of the administration of government, disruption to major Treasury services or loss of public confidence in Treasury.</li> </ul>	<ul style="list-style-type: none"> <li>Significant and sustained negative publicity or damage to Treasury's reputation at a global, national or state level; resulting in government/ ministerial censure, senior employee resignations/ removals, parliamentary inquiry or significant long-term damage to public confidence in Treasury.</li> </ul>
<b>Workplace health and safety</b>	<ul style="list-style-type: none"> <li>No medical treatment required.</li> <li>Deviation with little to no potential to impact safe operations. Managed by operational employees using normal procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Minor injury requiring first aid treatment (e.g. minor cuts, bruises, bumps) that does not require attention by a medical practitioner or loss of time.</li> <li>Deviation with minimal potential to impact safe operations. Managed by operational employees using normal procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Injury requiring medical treatment or lost time of less than four days.</li> <li>Deviation with some potential to impact safe operations. Managed by operational employees using non-normal checklist procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Serious injury (injuries) requiring specialist medical treatment or hospitalisation or lost time of greater than four days.</li> <li>Deviation impacting the continued safe operations. Managed by operational employees using multiple non-normal checklist procedures or additional actions.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of life, permanent disability or injury, or multiple serious injuries.</li> <li>State of emergency for an operational condition, impacting immediate safe operation. Management requires emergency actions by operational employees to preserve life.</li> </ul>
<b>Service delivery</b>	<ul style="list-style-type: none"> <li>No measurable impact on service delivery</li> </ul>	<ul style="list-style-type: none"> <li>Short term interruption to the delivery of services</li> </ul>	<ul style="list-style-type: none"> <li>Longer term interruption to the delivery services</li> </ul>	<ul style="list-style-type: none"> <li>Restricted ability to continue delivering services</li> </ul>	<ul style="list-style-type: none"> <li>Inability to deliver services</li> </ul>
<b>Technological</b>	<ul style="list-style-type: none"> <li>Systems are unable to meet the operational, technical and/or security needs of a single organisational function/service. Workarounds are available so there is no downtime</li> </ul>	<ul style="list-style-type: none"> <li>Systems are unable to consistently meet the operational, technical and/or security needs of a single organisational function/service. Workarounds are available so there is no downtime</li> </ul>	<ul style="list-style-type: none"> <li>Systems are unable to meet the operational, technical and/or security needs of a single organisational function/service. Downtime is less than 1 day</li> </ul>	<ul style="list-style-type: none"> <li>Systems are unable to meet the operational, technical and/or security needs of a single function/service, or multiple organisational functions/services. Downtime is greater than 1 day if there is a single impacted function, or less than 1 day for all functions if there are multiple functions</li> </ul>	<ul style="list-style-type: none"> <li>Systems are unable to meet the operational, technical and/or security needs of multiple organisational functions/services. Downtime is greater than 1 day in at least one function</li> </ul>

### 3.4. Appendix 4 – Stakeholder Consultations

The table below outlines all personnel who were involved in discussions and contributed to the findings detailed in this Internal Audit Report.

Name	Title
Section 73 - Irrelevant Information	Director, Claims
	Manager, Claims
	Manager, Claims
	Manager, Claims
	Principal Claims Officer
	Manager, Claims, Processing team
	Senior Claims Officer, Processing team
	Change Manager EUI Project
	Project Manager EUI Project
	Acting Director of Operations
	Systems and BA Manager



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