



## Audit and Risk Committee Meeting Minutes

### IPC ARC Meeting No. 9

Wednesday 6 March 2013, 3.00pm

#### 1. Attendance

<u>Members:</u>	Ms Carolyn Walsh (Chair) (CW), Ms Lyn Baker (LB), Mr Garry Dinnie (GD)
<u>In attendance:</u>	Ms Caroline Karakatsanis (Audit Office), Mr Clive Gough (O'Connor Marsden), Ms Deirdre O'Donnell (DO), Ms Meredith Claremont (MC), Mr Gary Tong (GT)
<u>Minute Secretary:</u>	Ms Anwen Rowe (AR)

The Chair welcomed Mr Gary Tong, Mr Clive Gough and Ms Caroline Karakatsanis to the meeting.

#### 2. Declarations of interest

Carolyn Walsh declared membership of the Audit and Risk Committee of the Office of the Director of the Public Prosecutions and the Audit and Risk Committee of the Mental Health Commission.

The meeting **noted** this advice.

#### 3. Minutes of previous meeting

Minutes of meeting 8 were **approved** and **adopted** by the Committee, and members **acknowledged** the minutes of 18 October 2012 would be proactively released on the IPC's website.

*Action 1: Publish minutes of 18 October 2012 on the IPC website.*

#### 4. Rolling Action Report

The Committee **noted** the Rolling Action Report, and the fact that all matters were either complete or on the agenda.

#### 5. Update from Information Commissioner

DO informed the Committee that she and the Privacy Commissioner had appeared before the Joint Parliamentary Committee on 22 February. DO provided the members with copies of the Commissioners responses to the questions on notice.

DO advised that significant work has gone into the one IPC website and that the website will be continually reviewed. DO asked the Committee for any feedback on the new website.

She updated the Committee on progress of the review of the IPC's structure. DO provided the members with additional handouts showing the change of structure from 1 January 2011 to the new structure. She also reiterated the rationale for the review to deliver the one integrated IPC to meet the Parliament's requirements. The new structure facilitates this and allows for flexibility across positions and teams.

DO updated the Committee on the current status of the IPAC (Information and Privacy Advisory Committee) and said that a media release would shortly go out advising members' names and details. A welcome function for new members is planned for 18 March.

The Committee **noted** the Information Commissioner's oral report.

## **6. Review of ARC calendar items – Quarter 3**

The Committee discussed GT's update on the Calendar items scheduled for review in the third quarter of the financial year.

The Committee discussed the item "review the extent to which internal and external audit work can be relied upon to detect control weaknesses or fraud" and agreed that management is to take a proactive position in identifying and managing fraud.

The Committee also discussed the item "review all external audit plans and reports, including management letter and audit report" and agreed that members would monitor the close-out of future/upcoming audits.

With regard to items 7.6 and 8.1 on the ARC calendar, it was agreed that these should be moved to quarter 1, July-Sept. It was agreed that CW and DO should meet late June or early July, and CW should meet with GD and LB regarding performance management after her meeting with DO.

The Committee **noted** the general update.

*Action item 2: AR to schedule the meeting between DO and CW, and invite MC to attend.*

*Action item 3: CW to schedule meetings with GD and LB from early July.*

*Action item 4: Items 7.6 and 8.1 to be moved to quarter 1, July – Sept.*

## **7. Risk register, Enterprise Risk Management Framework and Risk Policy**

The Committee discussed the Risk Register, Enterprise Risk Management Framework and the Risk Policy. CW thanked MC for separating the Risk Policy from the Framework.

There was discussion around the definition of the term 'consequence' in the Treasury toolkit. It was suggested it may be beneficial to break up the consequence into areas, eg. Financial/reputation/safety. MC stated she would be attending the training for NSW Risk Management Toolkit and would seek further advice from Treasury in this regard.

MC advised members that once recruitment of all managers is complete, the management group would review the risk register.

The Committee **noted** the progress to date.

## **8. Review Performance Management Framework (Dashboard)**

GT informed the Committee a calculation error had been made in the circulated dashboard report. This was rectified and noted by the Committee.

DO stated she had previously researched options for a suitable performance management framework, and proposed the current format of the dashboard report. CW undertook to look into what other frameworks are available, however indicated she was happy with the current format. The other members also agreed they were happy with the current format.

DO informed the Committee about recent progress with GIPA casework. Substantial work has gone into completing the older matters, and problems identified were solved along the way. The Casework team have now implemented an improved way of working.

The Committee **noted** the dashboard report.

## **9. Internal audit implementation – Status report**

The Committee discussed the implementation report and requested that at the next meeting, items 2 and 8 have revised completion dates if not finalised in the interim. It was requested that the original date remain in strikethrough font to see when the item was originally due.

It was stated by GT that all other items that were listed as delayed would be completed by April.

The Committee **noted** the implementation status.

*Action item 5: Items 2 and 8 are to be updated with a revised date for completion.*

*Action item 6: Other remaining items are to be completed by April 2013.*

#### **10. External audit – Client Services Plan – Audit office**

The Committee discussed the Client Services Plan, in particular the early close requirements. CK advised the Early Close process should not pose a problem. IPC and the Audit Office have agreed on dates, which are detailed in the plan.

The delay and absence of having the SLA in place was discussed and CK advised that due to this delay, the Audit Office would look into what other controls are in place.

CW requested that the SLA be added to the agenda for the May ARC meeting as a separate item.

The Committee agreed that the September meeting to review the financials is to be moved to Wednesday 18 September, with the Committee to be provided with the audited accounts prior to the 18<sup>th</sup>, allowing time for review.

The Committee noted the Client Services Plan.

*Action item 7: AR to reschedule the September meeting, to Wednesday 18<sup>th</sup> at 2pm.*

*Action item 8: AR to add the SLA as a separate agenda item for the May ARC meeting.*

#### **11. Internal audit – Scoping of Audits - OCM**

CG advised the members that the records management audit would be commencing in a few weeks. It is expected there will be comments on risk and the mitigation of control measures.

The Committee discussed how many days the audit would take, to which CG advised approximately 12 days at the rate of \$1039 per day. It is expected that the report on the audit will be available at the May ARC meeting.

DO advised the Committee that the draft terms of reference (TOR) for the Case Management post implementation audit (which is scheduled for June 2013) would be finalised in the next few days, and would be sent to the Committee out of session for comment.

The Committee **noted** the update.

*Action item 9: DO to send the CMS TOR to members for comment out of session.*

#### **12. IPC 3 year forward budget with required savings**

The Committee discussed the circulated document which was the first version of the forward budget and DO advised she is confident in achieving the required savings.

The Committee **noted** the status.

#### **13. Compliance checklist**

The Committee discussed the checklist and agreed that at the next meeting the focus should be on risk management in terms of the nature and scope of the business. The committee emphasised the context of ISO31000 is vital.

The Committee also discussed the process of linking the risk register to business planning and that this process will take time to mature.

The Committee **noted** the checklist and the progress which has been made.

*Action 10: The May meeting is to focus on risk management for the IPC.*

#### **14. Legislative Compliance Register**

The Committee discussed mapping the Compliance Register to business planning and the risk register.

The importance of the register to be used actively in the business was also discussed and reiterated by the members.

CW suggested that the top few compliance requirements relevant to the IPC should be highlighted and a focus made on achieving this compliance.

There was discussion around the vital importance of compliance with the Work Health and Safety obligations.

*Action 11: DO to produce new version of checklist incorporating members' feedback.*

*Action item 12: AR to add the WH&S presentation and discussion to the May ARC meeting agenda.*

The meeting concluded at 4.45pm.