

## AUDIT AND RISK COMMITTEE MINUTES

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**Date:** Friday, 11 October 2019 **Meeting Number:** 42

**Location:** Information & Privacy Commission NSW  
Level 17  
201 Elizabeth Street  
Sydney NSW 2000

**Time:** 14:00-16:30

**Members:** Mr Paul Crombie (Chairperson) (PC)  
Mr Malcolm Clinch (MC)  
Ms Marcia Doheny (MD)

**In attendance:** Ms Samantha Gavel Privacy Commissioner, Information & Privacy Commission (SG)  
Mr Chris Harper, Audit Office (CH)  
Mr David Marcus, Information & Privacy Commission (DM)  
Ms Sonia Minutillo, Information & Privacy Commission (SM)  
Ms Elizabeth Tydd, Information & Privacy Commission (ET)

**Minutes:** Lynley Mattes, Information & Privacy Commission (LM)

**Apologies:** Mr Robert Hayek, Audit Office (RH)  
Mr Harry Lan, Department of Justice (HL)  
Ms Joy Milag, Department of Justice (JM)  
Ms Kylie McRae, O'Connor Marsden (KM)  
Ms Pamela Robertson-Gregg, O'Connor Marsden (PR)  
Ms Sarah Wyatt, Information & Privacy Commission (SW)

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### ITEM

1. Attendance  
Apologies provided for the above.
2. A Declarations of interest  
Nil changes to report.  
B Disclosures  
No changes reported by the Committee.
3. A Minutes of previous meetings 28 June 2019 & 24 September 2019 (Teleconference 2018/19 Financial Statements)  
The Committee accepted both sets of minutes as an accurate record of the meetings.  
B Rolling Action Report

DM advised that an update of the dashboard is underway and will be incorporated into the October dashboard.

4. A Update from the Chair

The Chair advised that the final Audited IPC Financial Statements for 2018/19 represented an excellent result for the organisation. The Audit Opinion was unqualified and all quality and time requirements for the Financial Statements were met. The Committee was also provided with all the required representations and attestations. The Audit Office Management Letter contained a few relatively minor items.

The Chair shared that he is an ARC Forum Member within the Department of Justice & Communities Cluster. The Forum met recently. Briefings were provided by Mr Michael Coutts-Trotter, Secretary of the Cluster and the Auditor General, Ms Margaret Crawford. The agenda included comprehensive briefings on Cyber Security and the new accounting standard AASB 1059 Service Concession Agreements: Grantors.

The Chair apologised for his absence from the Right to Know Symposium on 2 October 2019 although he was sure it was successful.

B Update from the CEO/Information Commissioner

The CEO updated the Committee on Right to Know Week. The event included a symposium event opened by the Attorney General. This was followed by a practitioner workshop on the issue of searches. Both events were well received with the AG attending the entire event. Overall a great week and very well recognised in **The Mandarin**.

MD asked about document management and GIPA transparency required. There may be value in promoting the purpose of good records management. SM updated that following on from the event the IPC received an invitation from SARA to provide an article for inclusion in their circular and this was being progressed. MD wondered what SARA does with local government. ET is happy to take this forward as a separate piece and confirmed that the IPC works closely with SARA.

**Action Item: ET to liaise with SARA re local government requirements**

Two other matters discussed were the MOG transition arrangements (including accommodation) and the Public Interest Framework (PIF). DM explained the DCS's views around accommodation and the IPC's needs in particular, anonymity of complainants/witnesses given oversight of government including Minister's offices and role as a PID investigating agency. The IPC will continue to work with DCS and convey the needs for an independent location.

ET discussed the Public Interest Framework that was being advanced as a model for significant digital projects. ET was highly comforted and validated by EU article that reflects on the developments in Information Governance (particularly IA). This paper recommends legislating a Rights Impact Assessment. Discussion was had on opportunities to maximise the key messages with the Secretary.

Discussion was had around IPAC.

C Update from the Privacy Commissioner

The Privacy Commissioner provided the following update:

Data Breaches - DCJ has put out a discussion paper on a possible manual data breach scheme. The question being since the Commonwealth introduced its own about a year ago, states & territories are thinking if they should institute a similar scheme. The discussion paper went out in July and DCJ are thinking how best a scheme be put forward. IPC submitted and SG will send a link to the website. The Minister for DCS has taken a keen interest.

**Action Item: SG to email hyperlink to IPC's submission to ARC**

ACCC Digital Platforms - enquiry was released in July. Interesting recommendations around strengthening privacy in state and commonwealth levels.

Suggested bringing in a privacy tort. Will be interesting to see which recommendations the government takes onboard. 18-month timetable.

Reintroduced Identity Matching Services Bill back into Federal Parliament which involves all states and territories supplying licence information into a hub which can be used to verify identity. Particular law enforcement aspect. Quite contentious from a privacy aspect. The IPC continues to be consulted by the Commonwealth. NSW Police came in last week and gave a demonstration as to how this system will work. The overarching Commonwealth legislation is yet to be passed by Parliament and on current information is expected to be enacted in 2020.

Interesting year as both Commissioners have been asked to present on AI and Cyber Security.

SG provided an update about a complaint regarding personal information. Advice was given to request a privacy review with the agency, The IPC has now have received advice that the applicant has approached NCAT. SG expects that this information will be in the public arena at some point.

## 5. Agency planning and reporting

### A i Financial Dashboard (September 2019)

DM provided an overview of the IPC Financial Operations for the year to date to end September:

Financial Update and Dashboard – there are forecast end of year results that the IPC are currently looking to and are fairly confident about. There have been changes and environmental factors taken into consideration. Some exchange of resources as part of the transition has created a lot of additional work from DCJ which has affected resourcing applied to the IPC.

It was noted that cash management will be very important in the management of the IPC finances over coming months.

People Matter Employee Survey Report (PMES) – very positive outcome attributable to the changes and new structures. Many of the initiatives put in place since the restructure of the organisation have addressed a number of issues and the improved ratings in the Survey evidence the effectiveness of the action taken. MD was **completely** impressed by the overall figure of 75% engagement. A credit to the IPC leadership. The Chair queried whether we can compare IPC's results to other agencies within the Cluster. DM advised that we are in the top quintile. A small independent agencies summary was also provided to the IPC. Good to have informal feedback to Managers (MD). A lot of training has been provided to assist with this result.

Enhancement to the dashboard is being undertaken.

Financial Processing and Payments – The IPC is identifying the cause of delays and how to streamline and ensure the corporate service team are aware of commitments and purchase orders are created in advance. Scanning software routinely picks up the invoice date and not the received date. Further investigation with DCJ is underway. The Chair asked when the IPC will be transitioning to DCS. DM gave an overview of the transition and advised that financial services should be implemented around January/February 2020 subject to the SAP switchover. Strategies will be put in place to minimise risks prior to switching systems. Looking to have similar or better service from DCS as we have had from DCJ.

Quarterly Updates to the Attorney General and Minister for Customer Service

IPC WHS Action Plan – Discussions have been had with DCS and ergonomic assessments in progress

Performance Development Planning discussions have been had and plans developed by staff.

Strategic Plan Update – The IPC will seek to engage the ARC in this process, either by individual committee member attendance or via email response out of session.

The Chair welcomes this as an educational experience due to the specialised nature of the IPC. It is hoped that the Committee can participate as much as possible.

The Committee noted the complexity of arrangements with the IPC changing clusters and management advised its careful scrutiny of arrangements. MC queried the variation and amortisation of leases. Does that have an effect on the actual cash. Management advised that it is because the lease came down to less than 12 months and the accounting treatment had to change. CH advised that it impacts the balance sheet but not the cash balances (less than 12 months exemption). Some of the risks are indirect risks due to DCJ. MCT gave a talk about the budgetary position (PC).

ii IPC Dashboard (August 2019)

Noted by the Committee.

B Quarterly Report to the Attorney General – Quarter 4, April 2019 to June 2019

Noted by the Committee.

C Quarterly Report to Minister Dominello – Activities of the NSW Information Commissioner as NSW Open Data Advocate (ODA) and work program for Q4 2018-2019

Noted by the Committee.

D Quarterly Report to Minister Dominello – Quarter 4, April 2019 to June 2019

MD queried the finalisation of the Information Access Guideline 1 for Councils. SM advised that this has been confirmed and communicated.

ET supplemented with a briefing on the engagement with Office of Local Government as part of the finalisation process.

The Chair noted the reference to the audits undertaken in respect of GIPA Act compliance by the NSW Police and NSW Treasury. He asked about progress reached in respect of action recommended in the audits. The Committee was advised that the agencies have provided assurance that the recommendations will be actioned within an appropriate time frame and progress will be followed up in due course by the IPC. The Chair asked if the Committee could be provided with a copy of the audit reports.

**Action Item: SM to distribute Treasury and NSW Police Audit reports to the Committee**

MD had some questions around HRIPA Act which SM summarised IPC's responsibilities (and 3 x Ministers with responsibility for the legislation that the IPC administers).

6. Risk Management 2018-19

A Review of IPC Risk Register Q1 19/20

Both Corporate and WHS Risk Registers were provided. The risk register reflects a continuation from the old risk register which will be reviewed once the revised Strategic Plan has been approved. The main change to note is the risk rating which has been revised upwards from Low to Moderate relating to IPAC (page 3). There was some discussion on the reasoning for the revised rating

B IPC WHS Risk Register & Systems Compliance

The Committee noted the changes to both the IPC Corporate and WHS Risk Registers.

C IPC HSC Minutes of Meeting

Noted by the Committee.

7. Internal Audit

A Status Register

i WHS

The Committee noted the status of implementation of recommendations from completed Internal Audits in respect of WHS and Financial Systems and Fraud Controls. The Committee endorses the action being taken and it is expected that the implementation will be complete by the end of 2019.

It will assist the Committee if future progress reports were to highlight any overdue actions.

**Action Item: Management to ensure future reports clearly identified late actions**

**B Internal Audit Plan**

SM noted that the previously approved Four-Year Strategic Audit Plan was attached for information. The development of the next audit plan and future audits is to be developed and finalised after the revised Strategic Plan is in place. The Chair queried S4. High risks identified for next year? Any major projects in the organisation (other than MOG)? PC spoke to the big factor being Cyber Security. There are a lot of requirements on organisations to comply to which might be useful to look at down the track. ET confirmed that the biggest project is MOG and highlighted the Governance Health Check might be something to look at.

**C Internal Audit Satisfaction Survey**

Overall there is a general high level of satisfaction with the process.

The key learning is to ensure the recommendations are understood by the staff involved in the relevant business area to get the best value out of the process and to ensure the outcomes are meaningful to staff.

**8. Review of ARC Charter Annual Calendar**

Impact of the shift to a new cluster was discussed. DCS have a more active approach for business continuity and are much more focused on these issues. The IPC are going to be undertaking a serious review of the business continuity plan.

7.6 should be 2019.

It is noted that the ARC Charter is due to be reviewed for the November 2019 meeting.

The Chair had a question around sufficient resources for an internal audit and whether this should be addressed by the Committee? Discussion was had around coverage of audits, what is adequate spend etc? At the end of the day we need to make sure the audits are addressing IPC key risks.

ET spoke to the Audit Compliance Checklist which says ARC has direct access to the Internal and External Audit. Is there an opportunity for the Committee to request feedback through the *In camera* process (are there risks identified from an auditor's point of view)?

**Action Item: SM to arrange an in camera session with OCM for the Committee for both Internal and External Audit for the November 2019 meeting**

The Chair will share a copy of a report from another company as a sample document.

**A IPC Audit Committee Charter Annual Calendar**

The Committee noted the update provided on progress with respect to the items listed in the Annual Calendar and endorsed the action being taken.

**B IPC Compliance with core requirements of the Internal Audit and Risk Management Policy for the NSW Public Sector**

The Committee noted the Comprehensive schedule provided and that the IPC is compliant with all the requirements as specified in Treasury Document tpp 15-03

**Other Business**

**9. Update re Cyber Security Training Provided by AICD**

The Chair has requested a paper on where the IPC stand on Cyber Security and attestations.

**Action Item: IPC to prepare a paper re internal & cluster cyber security compliance**

ET spoke to the AIDC Cyber Security meeting attended by the IPC. To be adopted culturally.

**Action Item: DM will ask the DCS for a copy of their plan to review against DCJ (provided by Chair)**

The Chair checked in with the Audit Office (Chris Harper) who discussed the MOG and what that means for the AO team. CH will advise if there are any changes.

Report to Parliament in a couple of weeks re Top 40 agencies across the state (CH will distribute a copy when available). The Chair thanked the AO for their support with the financial papers.

The meeting closed at 16:15.

#### Schedule for 2019

- Tuesday, 26 November 2019 @ 14:00

#### Tenure Dates

Member	Appointment	Commencement Date	End Date	Extension End Date 1
Malcolm Clinch	Member	5 July 2015	5 July 2018	5 July 2021
Paul Crombie	Member	17 September 2014	17 September 2017	20 September 2020
Paul Crombie	Chair	16 June 2019	16 June 2022	
Marcia Doheny	Member	28 June 2019	28 June 2022	