



AUDIT AND RISK COMMITTEE MINUTES

Date: Wednesday, 21 September 2022

Meeting Number: 58

Location: Microsoft Teams

Time: 15:00-16:00

Members: Ms Marcia Doheny (Chairperson) (MD)
Mr Malcolm Clinch (MC)
Mr Peter Scarlett (PS)

In attendance: Ms Somaiya Ahmed, Audit Office (SA)
Ms Elizabeth Tydd, Information & Privacy Commission (ET)
Ms Samantha Gavel, Privacy Commissioner, Information & Privacy Commission (SG)
Ms Sonia Minutillo, Information & Privacy Commission (SM)
Mr Ian Naylor, Information & Privacy Commission (IN)
Ms Yasmine Salameh, Information & Privacy Commission (YS) (for finance discussion)
Mr Ata Siddiqui, Information & Privacy Commission (AS) (for finance discussion)

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

Attendance not requested: Ms Judy Malpas, O'Connor Marsden (JM)
Ms Pamela Robertson-Gregg, O'Connor Marsden (PR)
Mr Michael Tzimoulas, Department of Customer Service (MT) (for finance discussion)
Mr Nick Sikka, Department of Customer Service (NS) (for finance discussion)

Apologies: Ms Olive Ferino, Audit Office (OF)
Ms Jessica Kavanagh, Information & Privacy Commission (JK)

ITEM

1. Chair Welcome

The Chair welcomed the attendees and SM introduced all attendees.

2. Attendance

3. A. Declarations of interest

Nil.

B. Disclosures

Nil.

4. External Audit

7A 2021/2022 Financial Statements Update

The purpose of the meeting is to consider the Financial Statements as provided. ET provided context for MNDB Scheme DRF funding arrangements for the benefit of the Committee.

There is clearly a difference of opinion as to how the two funds are classified. The AO advice is to be relied upon.

On Page 10 of the report there was a comment to be removed regarding the Corporate Services which would be preferable to be kept in.

Somaiya joined the meeting at 15:11.

PS queried who is to format the Statements and content as the IPC should be happy with DCS's input and be comfortable with the accounts. MC advised that there were previous issues with Justice which appears to be an ongoing issue.

PS queried SA about Superannuation and the wording suggested by Treasury, is this not agreed with by the AO. SA replied that the AO is comfortable with the statement as it is not a contingent liability. PS asked if the IPC should hold off signing? SA advised preferable to hold off and consider Treasury advice when received. MC queried whether there was a provision or is this just a note? SA advised that this is a statement of fact, no contingencies. The Chair queried the issue and whether the reason for the delay in finalising the issue is that the Federal Court ruling that determined that superannuation is not payable on leave loading could be appealed. SA advised that the possibility is so remote to meet this accounting standard and a court ruling trumps an ATO ruling.

ET queried in relation to the actual reporting of the notes. The note that appears now reflects a degree of comfort from all (DCS, AO & IPC). Irrespective this would only affect both the note and any liability in the finances? SA confirmed, just the note would be affected. ET suggested that the ARC recommend the statements subject to Treasury's advice on the note to 1(g).

The Committee agreed to endorse the Financial Statements, subject to receiving any revised wording on the superannuation issue. The Committee notes and endorses the Audit Representation Letter and AO Engagement closing report.

The Chair queried the Closing Engagement Report and the reference to the Essential 8 and 0 ratings (one of which was patching which was being addressed). Were any of the other 0 ratings being addressed? IN advised that we rely solely on DCS services except for Resolve and the report doesn't include Resolve. DCS are working on moving all Essential 8 to a rating of 1 (which has been delayed from 30 June).

SA left the meeting at 15:24.

5. Review of ARC Charter Annual Calendar

11B ARC Report on Activity

SM provided a summary of this paper and advised that this will form part of the Annual Report. Clarification was requested as to whether report is provided on behalf of the ARC. Confirmation was provided that was the case. The Chair asked that this be made clearer in the report.

Action Item: SM to amend the wording in the title of the ARC Report on Activity to clarify that the Report is provided by the ARC to the IPC

Subject to the above addition, the Committee endorsed the paper.

11C Compliance Self-Assessment Checklist

SM noted that last year's checklist included items in transition reflecting the status of changes required by TPP20-08 to be completed. The self-assessment informed the completion of the Internal Audit and Risk Management Attestation. This checklist has all items compliance which has informed the Internal Audit and Risk Management Attestation. Clarification was provided that the item in transition on the self-assessment checklist should reflect compliant as the items in transition were in response to the QAIP Assessment. The self-assessment Checklist would be revised to reflect this.

Action: SM to amend the Self-Assessment Checklist to reflect the QAIP recommendations being in transition.

11D Internal Audit and Risk Management Attestation Statement

The attestation as distributed with the papers was provided for endorsement of the Committee for inclusion in the IPC Annual Report. The Chair queried the Internal Audit Charter and the IPC confirmed that the revised Charter was previously approved. A further revised charter will be presented to the next meeting of the ARC in November which has been revised to reflect the outcomes of the QAIP Assessment outcomes.

The Committee endorsed the Internal Audit and Risk Management Attestation Statement for inclusion to the Annual Report.

Other Business

Certifying the Effectiveness of Internal Controls over Financial Information

The Committee noted the Statement and advised the DPC deviation should remain.

IN advised that the certifications are delivered to Treasury.

PS asked if the IPC were compliant with TPP17-06. IN advised that the IC and Management Questionnaire were distributed out of session to all members and submitted. The DCS CFO attestations went out Friday and including the noting that there was a deviation in the audit of the DCS IT environment.

The Chair noted the meeting on 22 September 2022 was postponed due to the additional national Public Holiday. All matters not covered in this meeting will be added to the meeting of 25 November 2022.

Meeting closed at 15:45.

Schedule for 2022

- Friday, 25 November 2022 @ 14:30

Tenure Dates

| Member | Appointment | Commencement Date | End Date | Extension End Date 1 | Extension End Date 2 |
|----------------|-------------|-------------------|--------------|----------------------|----------------------|
| Malcolm Clinch | Member | 5 July 2015 | 5 July 2018 | 5 July 2021 | 5 July 2023 |
| Marcia Doheny | Member | 28 June 2019 | 28 June 2022 | | |
| Marcia Doheny | Chair | 17 June 2022 | | | |
| Peter Scarlett | Member | 17 June 2022 | | | |