



AUDIT AND RISK COMMITTEE MINUTES

Date:	Thursday, 11 July 2024	Meeting Number: 65
Location:	Information & Privacy Commission NSW McKell L15-IPC-M04-14 (IPC Meeting Room) Level 15, McKell Building 2-24 Rawson Place Haymarket NSW 2000 (<i>Microsoft Teams to be made available</i>)	
Time:	10:00-12:00 this meeting commenced early at approximately 09:50	
Members:	Ms Marcia Doheny (Chairperson) (MD) Ms Sally Pearce (SP) Mr Peter Scarlett (PS)	
In attendance:	Mr David Daniels, Audit Office (DD) Ms Rachel McCallum, Information & Privacy Commission (RM) Ms Sonia Minutillo, A/Privacy Commissioner, Information & Privacy Commission (SM) Ms Yas Wickramasekera, O'Connor Marsden (YW) Mr Andrew Pickles, A/CAE, Information & Privacy Commission (AP) <i>Ms Carla Wilson, Information & Privacy Commission (CW)</i> Ms Yasmine Salameh, Information & Privacy Commission (YS) (for finance discussion) <i>Ms Neharika Gossain, Department of Customer Service (NG) (for finance discussion)</i> Mr Giles Aley, Information & Privacy Commission (GA)	
Minutes:	Lynley Mattes, Information & Privacy Commission (LM)	
Apologies:	Ms Judy Malpas, O'Connor Marsden (JM) Mr Ian Naylor, Information & Privacy Commission (IN) Mr Michael Tzimoulas, Department of Customer Service (MT) (for finance discussion) Mr Hong Wee Soh, Audit Office (HWS)	

ITEM

Due to the early completion of the in-camera sessions with OCM & the AO, this meeting commenced early at approximately 09:50.

1. Chair Welcome

The Chair provided a Welcome to Country.

2. Attendance

Apologies were received from Judy Malpas, Ian Naylor, Michael Tzimoulas & Hong Wee Soh.

3. A. Declarations of Interest

The Chair advised of her appointment as Chair of the Health Care Complaints Commission Audit and Risk Committee and the cessation of her appointment on the Greater Cities Commission Audit and Risk Committee after dissolution.

B. Disclosures

Nil.

4. A. Minutes of previous meeting of 28 March 2024

The Committee had no comments or questions. The Minutes of Meeting from 28 March 2024 were endorsed by the Committee and confirmed for publishing.

B. Rolling Action Report

The IPC advised that all actions have been completed since the last meeting. The paper was taken as read and noted.

5. A. Update from the CEO/Information Commissioner

A copy of IPC's Strategic Plan 2024 – 2028 was tabled at the meeting. RM provided a summary and highlighted some of the differences from the last plan. The Chair noted the inclusion of the description at Priority 2 "Enhancing public sector integrity through good practice guidance".

RM took the CEO Briefing as read noting:

- People Management – Safety: Ongoing support to staff is essential from a WHS aspect. Further work on policies/procedures development is to occur
- People Management - Cultural Review: A brief update was provided.
People Management – Security: A brief update was provided
- People and Finance Management (MOU with the DCS): The A/COO (Jody Grima) has acknowledged receipt but has yet to sign the MOU
- Information and Privacy Advisory Committee – Appointments Status: A brief update was provided
- ICAC & PSC PID Referrals to IPC: A brief update was provided
- Privacy Commissioner's Appointment Status: A brief update was provided. The Privacy Commissioner appointment status is ongoing and LM advised that we may hear by the end of the week
- CEO appointed to the board of the State Records Authority
- Appearance before the JPC: A brief update was provided

No questions from the Committee. The Committee thanked RM for her paper and noted the report.

B. Update from the A/Privacy Commissioner

The paper was taken as read and noted.

The Acting Privacy Commissioner provided an update on:

- Privacy Awareness Week Event
- Operation of the MNDB Scheme noting that most MNDBs to date have been in the State Government sector and appear to have been largely caused by human error. The greatest area of risk, however, appears to lie with the University and Local Government sectors where some of the more significant data breaches have been notified. A report of the first six months of the scheme is being prepared which will provide an indication of how the scheme is operating so far. Similarly, a report on the legislative requirement to have a data breach policy is close to finalisation and will provide insight about the level of compliance.

The Committee queried the process of the IPC when a data breach has been received. SM provided a summary of the process and actions taken following notification.

The Committee also questioned whether the MNDB has “follow the money” type provisions? SM confirmed that the scheme does not.

6. A. Financial Dashboard (May 2024)

The paper was taken as read.

The IPC highlighted a couple of items (i.e. favourable budget, MNDB scheme).

The Committee queried what the IPC does if there is not enough cash to pay for what it needs and was advised that this situation is not unusual in small agency budget management and Treasury has assured IPC it will always ensure IPC (and similar small agencies) can meet its budgeted-for expenditure.

The Committee noted the good result for the year. The AO commented that the preparation of the financial statements has had IN's strong engagement throughout and the outcome is that the statements tell the picture clearly of the IPC. The Committee wanted to note the advice of the AO and thank the IPC team.

7. External Audit

A. 2023-2024 IPC Financial Statements Update (including Early Close Report)

The paper was taken as read and noted.

The AO provided an update of the testing of the Early Close Procedures and confirmed that the IPC is in good shape for year end.

The IPC advised that the draft financial statements will be circulated to the Committee around the 16 July 2024 for comments (Treasury deadline for submission is 30 July 2024). If an additional out of session meeting is required the Committee will let LM know.

DCS Finance joined meeting (10:32)

DCS Finance joined the meeting and gave a brief statement around the CFO certifications that are to accompany the financial statements.

B. Treasury Policy on Internal Control Framework

The paper was taken as read and noted.

The Committee queried how Item 7B (the new Treasury Internal Control Framework) differs from the previous Policy and Guideline. The IPC team took this question as action for advice to members.

The IPC noted primary responsibility for implementation under the framework sits with DCS, as IPC's service provider.

Action Item: IPC to identify the differences between old and updated Policy and Guideline for the Committee and note any actions that arise for the IPC (IN)

DCS Finance left meeting (10:35)

8. Agency Planning and Reporting

A. Monthly IPC Case File Dashboard (May 2024)

This paper was taken as read and a short summary was provided.

B. Quarterly Report to the Attorney General & Minister Dib – Quarter 3, January to March 2024

The paper was taken as read and noted.

C. Cyber Security

The paper was taken as read and noted.

The IPC highlighted the work of the IPC with DCS to improve IPC's cyber security maturity and risk management. It was noted that the IPC is an active participant in a training exercise (phishing) being run by our CISO in DCS. An update on the cyber attestation process will be provided at the next ARC Meeting. There are now 31 mandatory requirements as part of the annual Cyber Security Attestation process.

The IPC drew the Committee's attention to the new Risk Profile (Heat Map) provided by IPC's CISO, which the Committee confirmed is very easy to read and would like this report to remain as a standing item. The IPC highlighted the reported increase in the percentage of staff who clicked on the phishing exercise. The IPC will also check on the non-compliant devices (11 devices).

D. Auditor-General Report on the Internal Controls & Governance – IPC impacts

The paper was taken as read and noted.

The Committee confirmed this remain as a standing item with updates for the current year. This report shows that the IPC is being thorough and that the recommendations are being taken seriously.

E. Update of WHS actions arising & minutes of meeting

The papers were taken as read and noted.

Workplace bullying training is to be organised by the IPC.

Action Item: Workplace Bullying Training to be arranged (YS/IN)

9. Internal Audit

A. IPC Purchase Card Audit Report and Status Update

The paper was taken as read and noted.

A short update was provided by the IPC.

The Committee noted the reference to two people who were cardholders but not current staff. The IPC confirmed that these cards were destroyed/cancelled.

The Committee congratulated the completion of all management agreed actions.

B. IPC Recruitment and Succession Planning Audit Report

The paper was taken as read and noted.

A short update was provided by the IPC. The new Strategic Plan will feed into PDPs and other new strategic documents over the next quarter or two. This will help to set the context for succession planning in addition to consideration of mandated functions eg under legislation. Explicit steps of succession planning were highlighted.

The Committee noted that the 15 people who commenced in the audit period were still employed with the IPC. The Chair acknowledged that this is a good audit for the IPC to do and it does highlight the need for good information and record keeping.

Discussion was had around the desirability of staff taking longer leave periods (and excess leave) concerning WHS.

The Committee queried IPC's working from home arrangements and the IPC confirmed that the current practice is one day per week (to continue to 1 September 2024). Consultation process with staff to be addressed/explored before this can be changed.

C. Draft Strategic 2-Year Internal Audit Plan

The paper was taken as read and noted.

The new plan will be drafted in alignment with the Strategic Plan and in consultation with OCM.

10. Risk Management 2023-2024

A. IPC Risk Register (includes WHS) Q4 2023-2024

The paper was taken as read and a short summary of the changes provided.

The IPC highlighted the need for a refresh with the completion of the new Strategic Plan. Attracting and retaining staff should include succession planning too. The IPC agreed that alignment to the strategic plan should capture this.

The Committee queried legislative compliance with the State Records Act and other agencies etc. The IPC advised that there is an opportunity to add some of the more common issues.

It was agreed that the specific Covid risk could be removed.

Action Item: The IPC to remove Covid risk from the register or modify this to Pandemic (AP)

Action Item: The new Risk Register is to be compiled in a workshop forum (AP)

11. Review of ARC Charter Annual Calendar

The paper was taken as read and the Calendar noted.

A. Annual Calendar

The paper was taken as read and noted.

B. Legislative Compliance Register – June 2024

The paper was taken as read and noted.

The Committee queried whether there is a process in place to pick up any issues during the year. The IPC advised that signing of this register is currently the accountability for the next year.

The Committee suggested that a good process is for Managers to identify key essential compliance matters in their business plan (and key risks).

Action Item: IPC to include key legislative compliance items in its team business plans, in addition to the annual attestation of the register by Directors

C. Review of IPC Cyber Security Maturity – Cyber Security Operational Risks

This paper was addressed at Item 8C.

Other Business

The IPC advised that an enterprise risk management (ERM) system is being investigated and queried if the Committee had any suggestions/comments on systems that they have come across in the past. The Committee's comments were that these appear to be expensive and clunky for a small organisation and often spreadsheets are more than sufficient. The Committee asked if the current process is causing issues in the IPC? The IPC confirmed that no, it was an efficiency investigation. A suggestion was to evolve from word into excel. Discussion was had around how the register can serve its purpose at the IPC.

Action Item: OCM to provide contacts to the IPC for agencies who have efficient spreadsheets

The meeting closed at 11:29.

Schedule for 2024

- Friday, 27 September 2024 (10:00-12:00)
- Thursday, 5 December 2024 (10:00-12:00)

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	17 June 2025		
Peter Scarlett	Member	17 June 2022	17 June 2025		
Sally Pearce	Member	6 July 2023	6 July 2026		