



## AUDIT AND RISK COMMITTEE MINUTES

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<b>Date:</b>	Friday, 27 September 2024	<b>Meeting Number:</b> 66
<b>Location:</b>	via Microsoft Teams (as at 25.09.2024)	
<b>Time:</b>	10:00-12:00	
<b>Members:</b>	Ms Marcia Doheny (Chairperson) (MD) Ms Sally Pearce (SP) Mr Peter Scarlett (PS)	
<b>In attendance:</b>	Mr Hong Wee Soh, Audit Office (HWS) 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) Ms Carla Wilson, Information & Privacy Commission (CW) Mr Ian Naylor, Information & Privacy Commission (IN) Ms Yasmine Salameh, Information & Privacy Commission (YS) (for finance discussion) Ms Neharika Gossain, Department of Customer Service (NG) (for finance discussion)	
<b>Minutes:</b>	Lynley Mattes, Information & Privacy Commission (LM)	
<b>Apologies:</b>	Ms Judy Malpas, O'Connor Marsden (JM) Mr David Daniels, Audit Office (DD) Mr Michael Tzimoulas, Department of Customer Service (MT) (for finance discussion)	

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### ITEM

**1. Chair Welcome**

The Chair provided a Welcome to Country.

**2. Attendance**

Apologies were received from Judy Malpas David Daniels and Michael Tzimoulas.

**3. A. Declarations of Interest**

Nil.

**B. Disclosures**

Nil.

**4. A. Minutes of previous meeting of 11 July 2024**

The Committee had no comments or questions. The Minutes of Meeting from 11 July 2024 were endorsed by the Committee and confirmed for publishing.

## **B. Rolling Action Report**

The Committee took the paper as read and noted no outstanding items and notes the progression. Item 64.04 can be marked as complete.

## **5. CEO Report Briefing**

The paper has been read and noted by the Committee. Item 3 – Workplace Presence was queried regarding alignment to NSW Government policy and the CEO provided an update to the Committee about next steps. It was also noted that the Cyber Report referenced a change in internet behaviour upon the announcement where staff looked up Lifeline. The IPC will consult staff and respective union regarding potential local arrangements for the IPC.

### **A. Update from the CEO/Information Commissioner**

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

### **B. Update from the A/Privacy Commissioner**

The paper was taken as read.

The Acting Privacy Commissioner noted the finalisation of the first 7 months of the MNDB Scheme report for release on 1 October 2024. The report will be distributed to the Committee. Discussion was had around cyber issues within the Local Government sector. SM is giving a keynote address at a Cyber Conference next week.

The Committee thanked SM for her paper and noted the report.

## **DCS Finance joined meeting (10:32)**

## **6. Finance Briefing**

The paper was taken as read.

### **A. Financial Dashboard (August 2024)**

The IPC highlighted a deficit in the budget papers but advised that Treasury are not concerned as the IPC is underspent in employee related costs. Total equity of \$171K at the end of the year. \$1.4M in the bank. The forecast will be adjusted during the year. The IPC is comfortable that it will be able to meet our salary obligations.

The IPC noted that the DRF funding was a late addition to the budget in June last year, so the funding did not go into ERC but went into Operational costs. A request will be submitted to Treasury to move the \$185K funding in January 2025.

## **7. External Audit Briefing**

The paper was taken as read.

### **A. 2023-2024 IPC Financial Statements Update**

The Committee noted that the Statements were a good outcome. Management Audit Representation Letter and Financial Statements were endorsed by the Committee for resolution by the IPC. The AG's Closing report was also noted. The AO thanked the IPC for its cooperation and effort in addressing all queries.

The AO shared their website on the screen with all of the upcoming audits planned in 2025. The Committee noted that the Agenda mentioned Early Close Report but this is actually the Closing Report.

**B. Treasury Policy on Internal Control Framework**

NG provided a summary of the CEO's responsibilities under the new TPG24-08.

The Committee thanked DCS for their efforts and the quality of the Financial Statements. DCS thanked the IPC for its assistance. The paper was taken as read and noted.

**DCS Finance left meeting (10:50)**

**8. Agency Planning and Reporting Briefing**

Lili Zhang (LZ) from DCS (IPC's CISO) was added to the meeting and welcomed by the Committee. LZ shared her screen and provided an update on Item 8C. The Committee queried the malicious insiders comments in one of the four key risks and whether there activity to try to identify these actions? There are two ways, monitoring unusual behaviours and data loss protection. Also, a project called Endpoint Security Uplift has been implemented which blocks the use of USBs.

The Committee asked for clarification of the three-year plan to address the implementation of cyber security controls and whether the timeframe was appropriate due to the fast movement of technology. LZ advised that the strategy will be continuously reviewed and refreshed. Discussion was had around the central governance role provided to small agencies to retain/recruit staff with the necessary level of skills.

The Committee queried if there is a centralised policy or procedure that guides agencies in the event that there is a cyber crime? LZ noted that an exercise to respond to cyber incidents was recently conducted at the IPC.

The Committee queried whether the Cloud Strike issue post implementation reviews are being shared across government? LZ noted that was not within CISO's remit. Discussion was had around the desirability of more co-ordination across NSW agencies for shared learnings. The IPC noted that there are CISO and CIO forums where reflections and learnings are shared.

A summary of the NSW Cyber Security Policy Attestation was provided noting the new Cyber Security Policy V6.0 in relation to the IPC. 9 are meeting the requirements, 2 partially met (due to timing). It is hoped that in 12 months those 2 will be fully met.

The IPC added that the attestation arrangements are different this year as there is no longer a requirement for a CEO Attestation page in the Annual Report. The attestation is to Cyber Security NSW, comprising both the assessment by DCS and the CEO's covering statement.

The Committee thanked LZ for her presentation.

**A. Monthly IPC Case File Dashboard (August 2024)**

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

**B. Quarterly Report to the Attorney General & Minister Dib – Quarter 4, April to June 2024**

The paper was taken as read and noted by the Committee.

**C. Cyber Security**

As above.

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

The paper was taken as read and noted by the Committee.

*The Committee confirmed this remain as a standing item with updates for the current year.*

**E. Work Health & Safety Action Register 2024 - 2026**

The paper was taken as read and noted by the Committee.

**E. Minutes of the Health & Safety Committee Meeting – 1 August 2024**

The paper was taken as read and noted by the Committee.

**9. Internal Audit Briefing**

The papers were taken as read.

**A. IPC Recruitment and Succession Planning Audit – Status Update**

All Management actions have been accepted.

**B. IPC Audit Actions Register**

A summary of all of IPC's audits has been collated and provided.

No questions from the Committee.

**C. OCM Annual Declaration**

No questions from the Committee.

**D. CAE Annual Declaration**

No questions from the Committee.

**E. Internal Audit Manual and Charter**

The Draft Internal Audit Manual and Charter was provided to the Committee for review. No comments from the Committee. This Charter was endorsed by the Committee. Requires CEO and Chair signature, this Charter will be circulated.

**F. Self-Assessment against IA Standard**

No questions from the Committee.

**10. Risk Management Briefing**

The paper was taken as read.

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

An updated copy of the Risk Register was provided. The Committee queried if the risks regarding returning to the office is appropriately noted/updated in the register.

**Action Item: IPC to review S11 and S9 for updating purposes (AP)**

**B. IPC Draft Updated Risk Register 2024-2028**

Two Executive Risk Workshops have been held to create this new Risk Register to replace Item 9A above. There is further work to do to capture all controls and actions.

**Action Item: As above (AP)**

**11. Review of ARC Charter Annual Calendar Briefing**

The papers were taken as read and noted by the Committee.

**A. Annual Calendar**

No questions from the Committee.

**B. Report on ARC Work for the Year**

No questions from the Committee.

**C. Internal Audit and Risk Management Attestation Statements**

No questions from the Committee.

**D. ARC Performance Self-Assessment**

No questions from the Committee.

**E. Review of the Audit and Risk Committee Charter with Treasury Policy (by means of a self-assessment checklist)**

No questions from the Committee.

**F. Revised ARC Charter**

The Draft Charter was taken as read and endorsed by the Committee.

The Committee noted the following amendments to be made:

- Item B report on ARC work for the year (page 235) the meeting attendance table notes 5 meetings but only 4 listed. There is also a typographical error in the line above the table (should be 4 instead of 5) and also within the table (1, 2, 3, 4) and Malcolm Clinch needs to be changed to Sally Pearce.
- On page 236 there is a first dot point of early close statements, 31 March 2023 which should this be March 2024.
- The description of Item 11E in the agenda does not match the title on Attachment 11E paper.

**Action Item: AP to implement the above changes as required**

**Other Business**

**Action Item: LM to provide 2025 dates/times out of session to the Committee (Wednesday & Thursdays morning preferred)**

The Chair thanked the Committee and Attendees.

**The meeting closed at 11:42.**

Schedule for 2024

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

Tenure Dates

<b>Member</b>	<b>Appointment</b>	<b>Commencement Date</b>	<b>End Date</b>	<b>Extension End Date 1</b>	<b>Extension End Date 2</b>
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		