



## Audit and Risk Committee Meeting Minutes

### IPC ARC Meeting No. 21

Wednesday 2 September 2015, 3pm to 5pm

#### 1. Attendance

<u>Members:</u>	Ms Lyn Baker (Chair), (LB), Mr Paul Crombie (PC), Mr Malcolm Clinch (MC)
<u>In attendance:</u>	Ms Elizabeth Tydd (ET), Ms Samara Dobbins (SD), Ms Roxane Marcelle-Shaw (RMS) (Chief Audit Executive), Ms Anwen Rowe (AR), Ms Pamela Robertson-Gregg (O'Connor Marsden)
<u>Apologies:</u>	Ms Somaiya Ahmed (Audit Office)
<u>Minute Secretary:</u>	Ms Anwen Rowe (AR)

#### 2. Declarations of interest

No additional declarations of interest were made.

The meeting **noted** this advice.

#### 3. Minutes of previous meeting and Rolling Action Report

Minutes of meeting 20, 27 May 2015 were **approved**, subject to one minor amendment regarding the Cash Management Reforms, and **adopted** by the Committee, and members **acknowledged** these minutes would be proactively released on the Information and Privacy Commission's (IPC) website.

*Action item 1: Publish minutes of 27 May 2015 on the IPC website.*

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

#### 4a. Update from CEO/Information Commissioner

ET updated members on the Cash Management Reforms, and informed members that in accordance with the approach being implemented by Treasury the IPC's 'cash reserves' would be reflective of a fortnight's expenditure for operational and employee related and there are significant risks associated with the reforms. In accordance with the reforms the IPC's allocation from Treasury is significantly lower, and the IPC is required to draw on cash reserves in the first instance with the resultant impact being a reduction in cash reserves to reflect expenditure for a fortnight. Further advice will be provided to the Committee as these reforms take effect.

The current dashboard shows IPC is 8% over budget and ET stated the IPC has a full complement of staff.

ET suggested she may provide the monthly dashboard to the Secretary, Department of Justice (DoJ) to alert the Secretary to the operating environment.

ET updated members on the IPC Efficiency Review, and the Internal Audit Bureau (IAB) report. Members agreed the current operating situation is the IPC's number one risk.

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

#### 4b. Update from Director Business Improvement

SD discussed the dashboard with members and stated she is investigating a parameter and technical adjustment process with Treasury to assist the IPC in the current financial year.

SD also informed members the GSE Act implementation is on track.

Members discussed the IPC Sponsorship and Partnership Policy and Agreement and the preference of seeking only in-kind support to safeguard the IPC and any partners. The policy and agreement has been reviewed by the IPC's Principal Review Officer.

The Chair commended the IPC on the development of the Policy and members **noted** its implementation, subject to one amendment from LB.

The Committee **noted** the Director Business Improvement's report.

#### **4c. Update from the Chair**

No further update from Chair.

#### **5. IPC review - update**

Complete under item 4a.

#### **6. Business Plan 2015-16**

Members were informed two workshops were held in May, led by Carolyn Walsh and Pamela Robertson-Gregg. RMS informed members that a strategic approach had been taken in the development of the plan and a list of projects and initiatives had been provided to the Information Commissioner and the Privacy Commissioner with a request to prioritise as an input to the final draft of the Plan. Members were informed that management were working to achieve a risk-based and achievable business plan.

#### **7. Service Level Agreement with Department of Justice - update**

SD informed members no written SLAs were in place, however draft SLAs were available if required and confirmed the IPC is adequately served in the IT and HR areas. Email correspondence and approved briefing to Secretary Justice provided the basis for the SLA which is in operation. SD informed members that the Department was conscious to inform SLAs through an activity based costing exercise and currently that capacity was not available. However SD confirmed that the production of the financial statements was occurring seamlessly.

SD briefed members on an emerging issue regarding the IPC's lease ending in February 2016. The DoJ is currently liaising on our behalf and a business case to renew the lease has been provided. The risks to the IPC were identified and discussed.

Members **noted** the current situation regarding the SLAs and the emerging issue of the IPC lease agreement.

#### **8. Review 2014-15**

Members discussed the review of the ARC work for 2014-15. Members suggested a couple of amendments to the report on activity regarding outputs and the priorities for 2015-16, namely:

1. Oversight of implementation of the IAB Review
2. Review of Financial Statements
3. Oversight of the IPC Budget and impact of cash management reforms

Members discussed the compliance checklist and suggested the document be updated with the term CEO, from Commissioner. Members discussed whether the Chief Audit Executive role is sufficiently independent and were informed arrangements are in place where the CAE can defer a matter to the Director Business Improvement if a matter falls within the CAE's current line of responsibility.

The Committee **endorsed** the attestation letter for the CEO to sign.

*Action item 2: Report on Activity to be updated in line with feedback from members.*

*Action item 3: CEO to sign the attestation letter.*

## 9. Risk Management 2015-16

### Risk Register

Members discussed the updated 2014/15 register noting actions taken were successful in mitigating the majority of risks.

RMS informed members the 2015/16 register is being drafted with the assistance of O'Connor Marsden, in line with the development of the IPC Business Plan for 2015/16.

Members discussed the release of the IAB report to staff, which identifies a range of organisational work health and safety risks that are yet to be effectively treated. In particular, members **noted** the extreme risk rating for S1, O1 and O3.

The Committee discussed a range of strategies that have been implemented to address the increased risks including temporary staff meeting arrangements, the engagement of the Nous Group by the Department, seeking advice from WorkSafe NSW, and access to the Employee Assistance Program and a clinical psychologist; however members **noted** these strategies were not having a remedial effect to date.

The Committee **noted** that the IAB Efficiency Review of the IPC had progressed to oversight by the Secretary, DoJ, the Attorney General and the Public Service Commissioner. In these circumstances the IC/CEO and Directors would be required to await further advice but continue to uphold the safety and welfare of staff and promote productivity within the IPC.

The Chair advised she would seek advice on actions she can undertake in line with the ARC Charter.

The Committee **noted** the register and the outstanding risks in light of the Efficiency Review.

### IPC Scholarship and Project Governance

SD confirmed the project governance documents had been updated in line with feedback from members.

Regarding the Scholarship, members were informed the scholarship would cover broad information management, and would not be reflective of statutory streams. ET informed members oversight of participants would be by IPC grade 11-12 officers.

ET also informed members participants could be trained in Privacy, however may not be able to undertake Privacy casework in accordance with the Privacy Commissioner's views.

Members **noted** the update on Project Governance and the Scholarship program.

## 10. Internal Audit

### Progress on implementation of internal audits

The Committee discussed the progress on the implementation of the Case Management System (CMS), the Records and Information Management (RIM) audit, the Performance Management and Business Management Framework audit, the IPC Scholarship audit and the Website Post Implementation Phase 2 audits.

Members **noted** the SLA for the CMS had been drafted and operationalised in good faith, however remained unsigned. Members **noted** this issue may be raised in the Audit Office Management letter.

Members **noted** the RIM audit as being completed and requested the Committee be informed after the first state records checklist audit.

Members also discussed the Performance Management and Business Management Framework audit and **noted** the solid framework; the robust process developed and **noted** these would mature over the following years.

The Committee **noted** the actions accepted and underway for the IPC Scholarship audit, including advice from IPC Internal Auditors regarding Project Governance within the IPC.

The Committee **noted** the actions accepted and underway for the Website Post Implementation Phase 2 audit.

### Internal Audit Plan – 2015-18

The Committee **noted** the work in progress on the draft internal audit plan for 2015-18.

#### **11. Legislative Compliance Register**

The Committee **noted** the Legislative Compliance Register.

#### **12. Review of ARC calendar items – Quarter 1**

The Committee **noted** the review of calendar items for Quarter 1 noting all items due for review are acquitted.

#### **Other business**

The Chair informed members an invitation was extended on 26 August to the Privacy Commissioner inviting her to present to the Committee, however the Privacy Commissioner advised she was unable to attend due to previous commitments.

The Privacy Commissioner had previously expressed a need to the previous Chair to attend an ARC meeting and had requested for this to be held in-camera. The then Chair advised the Privacy Commissioner that this would not be possible. ET also informed members that she had offered a meeting for the Privacy Commissioner, the previous Chair and herself however she had received no response to this invitation.

The Chair discussed with members an option to invite the Privacy Commissioner to present to members at the end of the special meeting to review the Financial Statements on 21 September. Members agreed they would extend the timing of the special meeting to 1.5hours to allow for the presentation from the Privacy Commissioner.

*Action item 4: The Chair to extend an invitation to the Privacy Commissioner to present to the Committee at the conclusion of the review of the Financial Statements on Monday 21 September at 4pm.*

Meeting closed at 5.20pm.