



Audit and Risk Committee Meeting Minutes

IPC ARC Meeting No. 27

Wednesday 11 August 2016, 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), Mr Harry Lan (Department of Justice)
<u>Apologies:</u>	Mr Robert Hayek (Audit Office), Ms Pamela Robertson-Gregg (O'Connor Marsden),
<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 26, 15 June 2016 were **approved** and **adopted** by the Committee.

Members **acknowledged** these minutes would be proactively released on the Information and Privacy Commission's (IPC) website.

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

Action item 1: Publish minutes of 15 June 2016 on the IPC website.

4a. Update from the Chair

The Chair **noted** the updates provided and the excellent progress made on the items for discussion.

4b. Update from CEO/Information Commissioner

ET updated the Committee on IPC's current financial status and informed members that the noted overspend is largely attributable to the SLA payments and will be reported accordingly in the Financial reports. However there was an underspend on ERE related costs by the IPC located at Castlereagh Street and this underspend, together with a contribution from the Department of Justice, was applied to the overspend in providing additional temporary resources to the privacy functions.

ET informed members that since the GIPA backlog has been cleared case management timeliness has been improved and of the move to a more proactive regulatory environment. RMS provided copies of the Information Commissioner's Regulatory Plan, IPC Regulatory Framework and the draft Service Charter that is currently up for consultation and ET invited feedback from members on the three documents.

ET informed members there is no further update on the GIPA Statutory review. However the Department has been in contact and a draft report is expected to be received by the end of the week.

ET informed members that advice has been issued to the Attorney General and Secretary DoJ signalling the improving timeframes regarding the GIPA casework, and also advised of the upcoming estimates hearings in September where the Attorney General and the Secretary DoJ will represent the IPC.

ET also informed members there has been no notice of a review of the arrangements regarding the temporary relocation of the Privacy Commissioner.

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

4c. Update from Director Business Improvement

SD provided an update on the monthly dashboard report and informed members that the dashboard information has been provided to the Attorney General's Office in the quarterly report. SD confirmed the IPC was on track to deliver the service charter deliverables.

SD provided copies of the monthly management report that IPC receives from DoJ and sought confirmation from members whether this is sufficient for their oversight. Members discussed their preference for a balance sheet, to allow for full and regular oversight. HL confirmed he will follow up with DoJ regarding options for a customised data/balance sheet for the Committee. Members also discussed the non-alignment of the financial statements and the dashboard figures.

SD informed members of the difficulties with the recent SAP implementation within DoJ that is delaying production of monthly reports. Members **noted** the CEO needs to maintain proper oversight of the financial reports and that member's need confirmation from the CEO that she is receiving the correct reports. The Committee **noted** the lack of reports is unacceptable and it is imperative that the CEO receives appropriate financial reports, especially given the SLA arrangement in place between IPC and DoJ.

Members **noted** the exceptional outputs and achievements over the year. A question was raised regarding benchmarking and RMS confirmed a range of tools such as internal consultations and consultations with key external counterparts were being utilised, to assist alignment of the KPI's.

Members discussed the option of including commentary or explanations around significant variations against budget in the monthly report.

SD confirmed with members that Performance Development and Personal Development Plans are on track.

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

Action item 2: HL to discuss production of financial reports (including explanations for budget variations) and a balance sheet for IPC with DoJ.

5. Agency Planning and Reporting

IPC Business Plan

Members discussed the quarter 4 update for the 2015/16 business plan and the finalised 2016/17 business plan. Members discussed an outstanding action within the 2015/16 regarding IPAC recruitment and **noted** this is on hold for the interim.

The Committee **noted** and discussed the high number of new initiatives within the 2016/17 business plan, and whether these initiatives are achievable. Members were informed that with the reduced case load and the focus on the new proactive regulatory initiatives, the plan is achievable.

Members **noted** the very well-structured report.

Mr David Marcus, IPC Manager Performance Reporting and Projects, delivered a demonstration of the new dashboard reporting tool, Tableau.

The Committee **noted** the report on Agency Planning and Reporting.

6. Risk Management 2016-17

Enterprise Risk Management Policy

RMS informed members the Enterprise Risk Management (ERM) Policy and Framework has been revised in line with TPP15-03 to reflect GSE arrangements and responsibilities. The Committee **noted** the ERM Policy and Framework.

Risk Register

RMS informed members of the process to draft the 2016/17 Risk Register, which will be updated following feedback.

The Committee discussed the categorisation of risk and the numerical steps within the risk matrix. IPC will work to ensure the risks are tolerable, even if the residual risk remains high.

The Committee **noted** the revised register including the outstanding risks in light of the current operating environment.

7. Certification over financial controls and attestation

The Committee discussed the approach to financial certification and internal audit and risk attestation in light of the current operating environment with the temporary relocation of the Privacy Commissioner.

In light of the recent audit of the privacy team and the Audit Office's advice as to satisfaction of the controls around the financial transactions undertaken within the privacy team, LT confirmed confidence around the attestation. Committee members suggested qualifying the management representation letter prior to sign off of the statements.

8. Annual Audit and Risk Committee Review – 2015/16

The Committee discussed the draft report on activity for 2015/16 and suggested a number of changes and additions. RMS agreed to amend the draft report and re-circulate to members for review and approval for inclusion in the IPC Annual Report for 2015/16.

The Committee discussed the compliance checklist with Core Requirements of Internal Audit and Risk Management and **noted** a number of small amendments to be made. Members also requested the terminology around 'approval' by the Committee be checked in line with TPP15-03.

The Committee **noted** the draft Internal Audit and Risk Management Attestation for the 2015/16 Financial Year.

Action item 3: Report on activity for 2015/16 to be amended in light of feedback from members and recirculated out of session for review and approval for inclusion in the IPC Annual Report 2015/16.

Action item 4: Update the Compliance Checklist following feedback from the Committee.

Action item 5: Internal Audit and Risk Management Attestation to be included in IPC Annual Report 2015/16.

9. Internal Audit

Progress on implementation of internal audits

The Committee discussed the progress on the implementation of internal audits, including the delays within the recommended timeframes, **noting** a number of these delays are due to the ongoing temporary relocation of the Privacy Commissioner and the separate office.

Members **noted** the Internal Audits for the Case Management System, Leave Management and IPC Sponsorship will be closed.

The Committee discussed the internal audit plan for 2016/17, however without seeing the scope of each audit, members commented it is difficult to prioritise. Members encouraged IPC to prioritise the audits and commence early within this financial year. RMS will request OCM to scope the proposed audits and will circulate out of session to the Committee.

The Committee **noted** the actions accepted and underway for the internal audits and **endorsed** the Internal Audit Plan for 2016/17.

Action item 6: Request OCM to scope the proposed audits and circulate to members out of session for comment.

10. External Audit

Robert Hayek provided a written update on the Audit Office's preliminary view on the IPC 2015/16 Financial Statements. The Audit Office received IPC's financial statements within the statutory timeframe, and they are in the process being reviewed. The Audit Office will provide feedback when the review is complete. Committee members discussed the comment on 'negative net asset position' and asked for clarification on this comment.

The Audit Office also provided an update on the audit of the Privacy team, confirming key internal controls were appropriately designed and implemented and no exceptions were found from their review.

The Committee **noted** the update on External Audit.

Action item 7: Seek clarification from the Audit Office on the 'negative net asset position' and provide comment to members out of session.

11. Legislative Compliance Register

Members were informed that the annual compliance attestations from relevant members of staff fall due in the next quarter.

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

12. Review of ARC calendar items – Quarter 1

Members discussed the calendar of items for review in Quarter 1, 2016/17.

Members discussed the item falling due regarding 'review performance of internal audit' and the Chair committed to follow up regarding the process for the external assessment and provide details for an independent assessor.

Regarding the written declarations required by Committee members, the Committee agreed to use the declaration provided by MC as a template and submit declarations to acquit the calendar item.

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

Action item 8: Chair to provide details regarding the process for the external assessment of internal audit and to provide contact details of an independent assessor.

Action item 9: Circulate template for declarations of interest to the Committee and members to sign and return.

Other business

Meeting closed at 5.05pm.