



## Audit and Risk Committee Meeting Minutes

### IPC ARC Meeting No. 20

Wednesday 27 May 2015, 10am to 12pm

#### 1. Attendance

<u>Members:</u>	Ms Carolyn Walsh (Chair) (CW), Ms Lyn Baker (LB), Mr Paul Crombie (PC)
<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 19, 13 March 2015 were **approved**, subject to one minor amendment 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 13 March 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.

Members **noted** the Treasury circular provided at item 3.

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

ET updated members on the Treasury Cash Management Reforms, the current status of the Service Level Agreement with the Department of Justice (DoJ) and the recent Business Planning process.

ET stated that the Treasury Cash Management Reforms are significant and have many impacts.

Advice from Treasury notes a proposed reduction in the IPC grant to reflect existing reserves that have accrued since establishment of the IPC. Advice from Treasury has confirmed that the IPC will maintain its cash reserve. There are no forward predictions about the process in future years. The BP3 shows IPC with a deficit of \$400,000 within 2 years, and advice is being sought on how the CEO is expected to sign off on statements showing that deficit and what notations are required. IPC currently has a buffer of operating expenses of 2 weeks.

CW requested Treasury Cash Management Reforms be added to the next meeting agenda. CW also **noted** assurance was needed from the DoJ on the payment of the deficit.

SD informed members that the IPC has achieved significant assistance and better service from the DoJ regarding the Service Level Agreement (SLA). The outstanding issue is the preparation of the statutory annual reports. SD stated there was concern around the unsigned letter to the Secretary of Treasury from the DoJ regarding the net cost of service issue.

Work is being undertaken to draft a high level interim SLA particularly to target the annual reporting process. IPC will undertake this drafting particularly to ensure that statutory reporting is addressing circumstances where this commitment remains unclear and outstanding. ET stated although there is no

progress with the statutory reporting, IPC is satisfied with the IT, HR and the other areas of financial reporting and management within DoJ.

CW stated IPC needs to be aware of the risks and pursue the arrangements. CW **noted** the difficult situation and limited avenues for the IPC to seek support **noting** the arrangements are particularly unsatisfactory.

Committee members are of the view that the situation in relation to statutory reporting is unsatisfactory and are aware of the significant efforts taken by IPC management to attempt to rectify the situation. Members **noted** the risk is outstanding and also **noted** that an arrangement needs to be formalised for the preparation of the financial statements.

Regarding Business Planning, ET thanked the facilitator, Carolyn Walsh, and the co facilitator Pamela Robertson-Gregg. RMS introduced discussion around the Regulatory Framework and CW **noted** the need for appropriate regulatory tools.

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

*Action item 2: Treasury Cash Management Reforms Update to be added to the next meeting agenda.  
Action item 3: High level interim SLA to be drafted noting the outstanding issue of the statutory reports.*

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

SD informed members there would be a change to the dashboard reports following the business planning process to capture more targeted and appropriate data. SD noted the IPC is currently finalising more cases than are being received in both the GIPA and Privacy work streams.

A significant achievement has been made with the GIPA backlog now cleared. RMS stated opportunities for more proactive work were now being looked into.

CW stated there is a strong recognition of the organisation addressing all IPC matters in the same manner, however moving forward, a risk based and differential approach may assist.

SD informed members IPC is undertaking a Service Channel Review and outcomes from the report would hopefully be available by the end of the financial year.

Members discussed the financial data and SD stated the IPC is currently in a good financial position. ET confirmed the IPC is tracking on target for the year to date financial position and thanked SD for her work in this regard.

SD informed members of the partnership undertaken during Privacy Awareness Week 2015 with the Office of Finance and Services and stated future partnerships would focus on in-kind support.

Members **confirmed** the appropriateness with the structure, depth and content of the Director's report.

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

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

No further update from Chair.

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

ET informed members that she has been advised by the DoJ that an update will be provided to staff within weeks. Michael Baldi from the DoJ will present to staff on the recommendations within the report.

ET informed members that feedback from staff suggests that there is concern over the timeframe of the report.

ET stated she will ask the DoJ to share any advice with members. CW requested the report be circulated to members when available (or any recommendations relating to the ARC) as it could provide useful insights re risk and governance in IPC.

Members **noted** the progress with the review.

*Action item 4: ET to provide the Committee with a copy of the report when available.*

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

See item 4(a).

Members **noted** the lack of progress and the Committee's concerns over the lack of a written agreement.

## **7. Risk Management 2014-15**

### Risk Register

RMS updated the Committee on the current Risk Register, noting the Register will be refreshed post the business planning process.

Members discussed a number of identified risks within the register and their residual level of risk. ET suggested she could seek the staff turnover rating from DoJ, regarding operational risk 1 on staff turnover. Members also discussed operational risk 10, regarding technology failure and controls. It was suggested that testing against technology failures over the past year may give an indication of likelihood and risk.

ET stated a new item around information security will be included on the new Risk Register.

The Committee **noted** the register and the process to be undertaken to refresh the register.

*Action item 5: ET to seek the staff turnover rating from the DoJ.*

### Project Management Methodology

Members were informed that feedback from staff at the business planning shows the need for guidance.

SD informed members the Privacy Commissioner has communicated her concerns on the methodology being applied to Privacy projects.

CW **noted** that the issue raises risks to the organisation including staff management particularly in respect of two different operating models and accountabilities. Members discussed the need to identify the risks and how to deal with them.

Members discussed a change to be made in the role and composition document, in that the Chair of the ARC should be removed as a member of the Project Governance Committee. The Committee also discussed that the membership of the Committee should be flexible to address the projects being presented to it particularly in recognition of the framework applying to the access and corporate streams only. A suggestion was made that the role and composition document should also include a risk management responsibility.

The Committee **noted** the difference in approach and suggested that the IPC identify the risks and develop proposals to ensure that they are appropriately managed. They also **noted** that the issue may be subject to recommendations in the Efficiency Review outcome.

*Action item 6: Revise the role and composition document in line with feedback from the Committee.*

*Action item 7: IPC to identify the risks and develop proposals to ensure the risks can be managed.*

## **8. Internal Audit**

### Progress on implementation of audits

The Committee discussed the progress on the implementation of the Case Management System and the Records and Information Management audits noting the outstanding items will be addressed in the high level IT SLA and added to the Performance Plan for the Information Services Officer.

### Internal Audit Plan – 2015-18

RMS informed the Committee that the outcomes of the business planning process will inform the forward Audit program.

The Committee discussed the current Channel Strategy Review, and procurement processes as being possible audits.

RMS informed members of a scheduled meeting with OCM to settle the scope and terms of reference for the upcoming Performance Management and Business Reporting Framework audit.

Pamela Robertson-Gregg updated members on the outcomes from the Website Post Implementation Review in particular the positive feedback regarding the contemporary look and feel and the useability and three particular recommendations from the report.

Members **noted** IPC management are scheduled to meet with OCM to settle the scope and terms of reference for the Performance Management and Business Reporting Framework audit. Members also **noted** a revised audit plan would be tabled at the next meeting.

*Action item 8: Scope and terms of reference to be settled for the Performance Management and Business Reporting Framework audit.*

*Action item 9: Revised audit plan to be tabled at the next meeting.*

## **9. External Audit**

The Committee **noted** the external audit report and the outstanding concerns of management regarding the SLA and completion of the end of financial year reporting.

## **10. Legislative Compliance Register**

LB tabled a good example of a compliance register for consideration of ways to operationalise the register.

The Committee discussed the importance of logging all requirements as per the current register, however focussing on the key risk areas.

The Committee **noted** the case study provided of a potential framework and the work to be undertaken in revisiting the compliance register.

## **11. Review of ARC calendar items – quarter 4**

The Committee discussed the items falling due for quarter 4. SD informed members of a new item 4.3, review of IPC contracts register due for review in the first quarter of each year.

The Committee **noted** the review of calendar items for quarter 4 noting all items due for review are acquitted.

## **Other business**

CW thanked the Committee for the support over her time as Chair of the IPC Audit and Risk Committee and confirmed Lyn Baker will be appointed as Chair and Malcolm Clinch will be appointed as a member going forward.

Meeting closed at 11.35am.