Audit and Risk Committee Meeting Minutes
IPC ARC Meeting No. 15
Friday 20 June 2014, 3.30pm

1. Attendance

<u>Members</u>:	Ms Carolyn Walsh (Chair) (CW), Ms Lyn Baker (LB)
<u>In attendance</u>:	Ms Elizabeth Tydd (ET), Ms Sonia Minutillo (SM) (Acting Chief Audit Executive), Ms Vandana Nand (VN), Ms Anwen Rowe (AR), Mr Clive Gough (O'Connor Marsden), Ms Somaiya Ahmed (Audit Office),
<u>Apologies</u>:	Mr Garry Dinnie (GD), Ms Meredith Claremont (MC), Ms Pamela Robertson-Gregg (O'Connor Marsden),
<u>Minute Secretary</u>:	Ms Anwen Rowe (AR)

2. Declarations of interest

The Committee noted the out of session advice from ET declaring previous professional relationships with Lyn Baker and Carolyn Walsh, and advice from MC declaring a previous professional relationship with Elizabeth Coombs, Privacy Commissioner, IPC.

LB declared she had previously worked on a professional basis with ET.

The meeting **noted** this advice.

3. Minutes of previous meeting and Rolling Action Report

Minutes of meeting 14 were **approved** and **adopted** by the Committee, and members **acknowledged** these minutes would be proactively released on the IPC's website.

The Committee acknowledged the minutes as a thorough and helpful record of meetings.

Action item 1: Publish minutes of 26 March 2014 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 Information Commissioner

ET provided an update on the 9 priority projects and the status and progress of each piece of work.

Specifically;
- the website project was ongoing and a 'go live' date of end of July was anticipated.
- the Practices and Procedures project has been finalised. Progress on implementation for GIPA rolled out early August, with further refinement required for Privacy.
- the Information Management tools project finalised and has produced intellectual outcomes (KPIs identified and implementation dependent upon Resolve enhancement plus case management definitions and processes; training of staff for the Resolve system is to be undertaken.
- the Resolve system will be amended in line with processes, definitions, reporting requirements and KPI's.
- the s61B and Privacy Governance Framework projects are in progress.
- the Stakeholder Engagement Framework report has been prepared by Jan McClelland and recommendations have been made for implementation. ET stated she would circulate this to the Committee out of session.
- the Administrative Functions Review project has been delayed by the implementation of the *Government Sector Employment Act* (GSE Act), however our plan is due to be submitted to the Public Service Commission (PSC) by 24 August 2014.

ET informed the Committee that the s37 report was tabled on Wednesday 18 June, and outlined some of the major findings. ET stated the final report reported generally across the 5 sectors; Government departments, State Owned Corporations, Local Councils, Ministers and Staff and Universities.

CW noted the critical and significant piece of work and requested the s37 report be added to the next meeting agenda. CW and LB suggested they would be happy to provide feedback.

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

Action item 2: Circulate the Stakeholder Engagement Framework to members out of session.
Action item 3: s37 report to be added to the meeting agenda for 24 September.

4b. Update from the Chair

The Committee **noted** the letter from the NSW Treasurer regarding 'Maintaining the independence of the Audit and Risk Committee and clarification of limits on the terms of Chairs'.

The Committee **noted** that memberships would be dealt with out of session and **noted** the IPC ARC is in compliance with the requirements.

Action item 4: Memberships are to be dealt with out of session.

5. Implementation of the Government Sector Employment Act

ET informed the Committee of the legislative changes occurring, which will be reflected in the structure and role descriptions. Regarding the structure, staff will become staff of the agency, as opposed to staff of either Commissioner. ET also informed the Committee that the high level plan is to be formalised by 24 August.

CW and LB informed ET they will be attending an upcoming GSE Act briefing for Audit and Risk Committee members and will brief ET if necessary.

ET will continue to report to the Committee each meeting on progress with arrangements on implementation of the GSE Act which include Role Descriptions; delegations; training including values and executive structure.

The Committee **noted** the progress to date.

6. Business planning

ET stated a review of the risk register will be undertaken with the business planning process. A facilitator is to be confirmed to assist with a workshop to prepare the 2014/2015 business plan, to be held by early August. The current strategic projects should flow easily into the new business plan.

CW stated she is happy to provide input or attend the workshop if needed and provide input to facilitator.

The Committee **noted** the progress and activities in train to finalise the business plan.

7. Internal Audit

7a. Clive Gough of OCM commented that the recent internal audit, Corporate Policies Review was a positive exercise for the IPC, which will lead to more structure, better access, uniformity and version control over policies. IPC policies will be more robust and result in better practice as a result of the review.

CG stated where gaps were identified new policies were developed.

The Committee **noted** that an update on progress of implementation of the recommendations will be provided at the September meeting.

7b. Regarding the forward 2014-2017 audit plan, CG suggested looking at a 3 year cycle, as opposed to a 1 year cycle. There is a need to focus on importance and appropriateness to find a balance.

The proposed audit plan should be revisited once the business planning and risk workshop has been held. The Committee agreed that an audit of major capital projects undertaken eg website redevelopment should feature in the audit program.

The Committee discussed the proposed topics and **agreed** a website post implementation review is appropriate. Regarding fraud control, the Committee **agreed** to the suggestion of inviting ICAC to run another presentation for IPC staff.

The Committee also **agreed** a Stakeholder Audit should remain on the plan for future years, and the GSE Act Staff Development Audit would be scoped later in the year.

The Committee **endorsed** for audit the website post implementation review and **noted** the proposed GSE Act Staff Development Audit, would be scoped later in the year.

The Committee **noted** the proposed audit plan will be revised after the business planning and risk workshop has taken place.

RIM audit
The Committee **noted** the issue around Trim and Objective, and noted the reliance and delay in a number of areas are due to the ongoing SLA issue. The Committee **noted** the actions to manage risks in the meantime.

CMS audit
The Information Management tools project is addressing some areas of concern. The Resolve system has huge capability however it is not being utilised in full. Resolve are currently undertaking enhancements and training will be provided to staff. Resolve are very willing to work with the IPC to ensure we maximise our needs out of the system.

The Committee **noted** progress and **noted** updates will be provided at the September meeting.

Action item 5: Proposed audit plan to be revisited once business plan and risk workshop have been held.
Action item 6: OCM to prepare scope for website post implementation review.
Action item 7: ICAC be invited to run a presentation for IPC staff.

8. **External Audit**

The Audit Office stated there were no major issues identified in early close, and the outcome of early close will be known by 30 June.

Regarding the management letter, the only outstanding issue is the SLA.

The Audit Office acknowledged the full cooperation with staff during the course of the audit.

The Committee **noted** the progress with the audit.

9. **Legislative Compliance Register**

The Committee suggested requesting attestations from responsible staff regarding compliance with legislation, to assure the IC of compliance with legislative responsibilities, on an annual basis.

The Committee **noted** the compliance register, noting the register is to be updated in the course of business planning, and to be aligned with GSE Act obligations.

Action item 8: Attestation to be sought from officers with responsibility in June and December each year with an update of status and certification.

10. Review of ARC calendar items – quarter 3

The Committee discussed the Calendar items scheduled for review in the third quarter of the financial year.

SM briefed the Committee on a New South Wales Civil and Administrative Tribunal (NCAT) matter and actions arising.

The Committee **noted** the review of calendar items, including the NCAT briefing.

Other business

Action item 9: schedule teleconference for ET and CW to discuss membership of members.

The Committee **noted** the meeting dates for 2014, which are:
Wednesday 24 September 2014
Wednesday 3 December 2014

The meeting concluded at 5.00pm