



## AUDIT AND RISK COMMITTEE MINUTES

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**Date:** Thursday, 5 December 2024

**Meeting Number:** 67

**Location:** Information & Privacy Commission NSW  
McKell L15-IPC-M04-14 (IPC Meeting Room)  
Level 15, McKell Building  
2-24 Rawson Place  
Haymarket NSW 2000  
**(Microsoft Teams)**

**Time:** 10:00-12:00

**Members:** Ms Marcia Doheny (Chairperson) (MD)  
Ms Sally Pearce (SP)  
Mr Peter Scarlett (PS)

**In attendance:** **Mr Hong Wee Soh, Audit Office (HWS)**  
Mr Chris Clayton, Information & Privacy Commission (CC)  
Ms Sonia Minutillo, 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)

**Minutes:** Lynley Mattes, Information & Privacy Commission (LM)

**Apologies:** Mr David Daniels, Audit Office (DD)  
Ms Judy Malpas, O'Connor Marsden (JM)  
Mr Michael Tzimoulas, Department of Customer Service (MT) (for finance discussion)  
Ms Neharika Gossain, Department of Customer Service (NG) (for finance discussion)

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### ITEM

**1. Chair Welcome**

The Chair welcomed Chris Clayton (as Acting IC/CEO) and provided a Welcome to Country.

**2. Attendance**

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

**3. A. Declarations of Interest**

Nil.

**B. Disclosures**

Nil.

**4. A. Minutes of previous meeting of 27 September 2024**

The Committee had no comments or questions. The Minutes of Meeting from 27 September 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. No questions from the Committee.

**5. CEO Report Briefing**

The paper has been read and noted by the Committee.

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

The Acting CEO/Information Commissioner noted that it was useful for Rachel McCallum to take time out of her leave last Monday for a handover day. The acting arrangements are currently in place until 19 January 2024 and can be cut short if required, or extended. A meeting with Secretary Head will be held this afternoon and any update on appointing the new Commissioner will be shared. A handover similar to that of Rachel's will be arranged when the new Commissioner commences.

PMES results and a series of actions were shared with staff. There was approximately 100% engagement from IPC staff with an increase to burnout of 17% in 2023 to 50% in 2024. Some of the actions already identified will contribute immediately. Additional assistance to help with HR filling vacancies (6 vacancies) will also assist. A call was put out to staff for their feedback and ideas on what the IPC can do to address burnout. Workplace Presence (returning to the office) survey responses were also presented to staff. The Executive have decided to take a staged approach from February 2025 (2 days in the office; 1 whole of office and the other to be agreed with managers). This will be reviewed in the first 6 months of 2025. Changes to Bandwidth Hours and Core Hours will also be considered with staff and the union in the coming months. Wellbeing and Safety elements of the workplace need to be considered in this matter.

The IPC is working with DCS around proposed new functions for the new Digital Verifiable Credential System (DVCS) which will require legislative amendment. Additional resources and functions will be required at the IPC. This will involve a cross-agency budget bid.

The Committee thanked CC for his commitment to the IPC during these uncertain times. The Chair noted the gentle approach for the return to the office.

The Committee asked for an update on the PMES results at the next meeting and queried the worst scores. The IPC advised that the most notable scores were: Action on survey results - 38%, Communication and change management - 50% and Learning and development - 50%. With the Strategic Plan and team based workplans now settled, this will result in the completion of PDPs which assists in identifying learning and development required.

The Committee thanked the IPC for the paper and noted the report.

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

The paper was taken as read.

The Acting Privacy Commissioner spoke to her report and highlighted the first anniversary of the MNDB as an awareness raising activity. The Scheme received some coverage, nothing significant.

The IPC engaged with the Office of Local Government who issued a circular which highlights the report.

Disappointingly, 44% of agencies did not have a publicly available Data Breach Policy on their website (from a sample of 94).

The first tranche of Commonwealth legislative reforms passed last week in addition to WA's Privacy legislation. The IPC should start to see implications of the reform, in particular around the commencement of the statutory tort which will have impact for NSW public sector entities.

The Committee enquired whether, considering the new DVSC, the IPC would be able to conduct a review of what went well/worked well with the MNDB rollout. The IPC advised that the proposed new function will extend the IPC's regulated entities which will have commercial parts, which will require financial resourcing.

OCM suggested that the MNDB could be added to the new Internal Audit Plan. The IPC Executives will consider and advise.

The Committee queried whether like Cyber Security, the issue of data breaches should be included as part of Risk Management for Audit and Risk Committees and whether this should be raised with NSW Treasury.

The Committee asked the purpose of DVCS and the IPC advised that in a nutshell, this is a digital means for an individual, who can use it to prove aspects of their identity.

**Action Item: SM to arrange for Lenka Lassak (Executive Director Identity.NSW) to provide an update at the next meeting**

**Action Item: SM to engage with NSW Treasury in relation to data breaches and risk management**

The Committee spoke to MNDB and how big a piece of work this was, is the IPC sufficiently resourced to do more in depth work. SM advised that four positions were funding for the MNDB and further funding for resources would be informed by consideration on the volume and nature of notifications into the future.

The Committee thanked the IPC for the paper and noted the report.

## **Finance joined meeting (10:45)**

### **6. Finance Briefing**

The paper was taken as read.

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

The IPC advised that the November figures were release yesterday and provided the following update:

- \$210K underspend for employee costs
- Expenses are \$500k favourable to budget
- Surplus of approximately \$47K

The IPC will build up the employee related expenses over the next couple of months to meet budget and will bring in additional HR assistance to fill vacancies.

## 7. External Audit Briefing

The paper was taken as read.

### A. Reporting Framework for Climate Related Disclosures

The AO summarised the report provided.

The Committee queried whether there are any anticipated issues for the IPC. The IPC are waiting for DCS to come back and advise how we can report the electricity, air conditioning etc. to make a call on the materiality for our financial statements. Treasury have issued a policy and guidance with tools to help agency conform with the latest framework (available on the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEEW) website). Compliance of this policy will be a staged approach and the IPC will be one of the last to be included and report on this. Four risk statements have been included and agreed upon in IPC's Risk Register, preparation has started.

### B. Treasury Policy on Internal Control Framework

The Committee asked whether the Internal Controls will be added in to next year's audit? The AO advised that they were focussing on financial reports but could add this if required.

**Action Item: IN to provide an update to the Committee once DCS progress this matter (Internal Control Framework)**

## Finance left meeting (11:03)

## 8. Agency Planning and Reporting Briefing

### A. Monthly IPC Case File Dashboard (October 2024)

The Committee spoke to the graph on Item 8A (pdf page 92) where there are a lot of 'red dots' (less than favourable results). The IPC surmised that the rates were due to vacancies within the I&R Team.

The Committee also asked about the Communities Attitudes Survey results (pdf page 103) and the reduction of people success in accessing information in 2024 (63%) compared to 91% in 2014. The IPC noted that this figure represents sector-wide requests for information – not specific to IPC.

### B. Quarterly Report to the Attorney General & Minister Dib – Quarter 1, July to September 2024

The paper was taken as read and noted by the Committee. No questions from the Committee.

### C. Cyber Security

Lili Zhang (LZ) from DCS (IPC's CISO) attended and took the Committee through the report provided. Highlights included:

More than half of IPC Staff clicked on the last phishing exercise. The Committee noted this poor result.

The Committee asked where the Operational risks are found? They are found within the Enterprise Risk Register

The IPC noted that on page 4, the Security Control Insights were missing in the papers. DCS confirmed that some last-minute changes were made to pages 4 and 7.

**Action Item: LZ to provide the slides to LM for distribution out of session**

The Committee queried when the controls will be effective and were advised that DCS have a parallel piece of work about addressing ineffective controls under development.

A new metric has been added (Mean Time to Patch). The Committee advised that this is a really good improvement.

It was confirmed that the lower vulnerability number, the better (Critical Vulnerability Ratio (pdf page 111)).

IPC's training completion rate is 96% whilst Contractor Training is only 50% (2 contractors).

Nearly 50% of the IPC clicked on a phishing campaign. The Committee noted this poor result.

Discussion was had around phishing exercises getting smarter and training provided to recidivism staff.

**Action Item: DCS is to provide statistics relating to the Resilience Program to the IPC out of session**

The Committee thanked DCS for the report.

**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 – 4 November 2024**

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

**9. Internal Audit Briefing**

The papers were taken as read.

**A. IPC Audit Management Action Register**

The Committee took the paper as read and noted.

**B. Strategic Internal Audit Plan 2024 – 2027**

No questions from the Committee. Endorsed by the Committee.

**C. Annual Internal Audit Plan FY2024-2025**

No questions from the Committee. Endorsed by the Committee.

## 10. Risk Management Briefing

The paper was taken as read.

### A. IPC Enterprise Risk Register 2024-2028

An updated copy of the Risk Register was provided.

The Committee requested that the formatting of this report be revisited and enlarged.

#### ***Action Item: AP to revisit the formatting and legibility of the IPC Enterprise Risk Register for the next ARC Meeting***

The Committee asked what would drive an increase in case work due to Climate Change. A discussion with the IPC Executive expressed this risk as potential, the issue would be a natural event which increased a lot of work for the IPC. The Committee inquired whether the IPC has had an increase of this type and was advised that during covid there was concern around the Ruby Princess matter, but this did not evolve.

The Committee noted that the inherently low items need not be provided to the Committee.

#### ***Action Item: AP to revisit the content of this report and focus on the high risks, substantively changed or risks not meeting appetite***

The Committee declared that Item 4 does not quite comprehend with the advice previously provided by the IPC.

#### ***Action Item: AP to revisit the wording around this risk***

## 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. IPC Enterprise Risk Management Policy and Framework

No questions from the Committee. The Committee endorsed this report.

### C. IPC Fraud Control Policy and Framework

No questions from the Committee. Endorsed subject to the Committee's query about strengthening Section 9 (referral processes through to ICAC).

#### ***Action Item: AP to revisit the wording in Section 9 of the IPC Fraud Control Policy and Framework***

### D. IPC Policy Framework

No questions from the Committee. The Committee highlighted that the IPC Executives and Managers are to make sure that staff know the Policies and legislative compliance (last page).

## E. DCS Internal Audit Reports

The Chair noted that at the recent ARC meeting with DCS, poor governance was acknowledged by Secretary Head.

The Committee queried the level of exposure at the IPC. The IPC has its own Procurement Policy to follow, so limited exposure though the risks were with DCS control. The IPC relies on DCS on its control over finances and ICT mainly.

### Other Business

Tenure dates were discussed:

Member	Appointment	Commencement Date	End Date	Extension End Date
Marcia Doheny	Member	28 June 2019	28 June 2022	
Marcia Doheny	Chair	17 June 2022	17 June 2025	<i>Must not exceed 17 June 2027</i>
Peter Scarlett	Member	17 June 2022	17 June 2025	<i>Must not exceed 17 June 2030</i>
Sally Pearce	Member	6 July 2023	6 July 2026	<i>Must not exceed 6 July 2031</i>

The Chair thanked the Committee and Attendees and wished everyone a Merry Christmas and Happy New Year.

**The meeting closed at 12:03.**

#### Schedule for 2025

- Thursday, 27 March 2025 (10:00-12:00)
- Thursday, 10 July 2025 (10:00-12:00)
- Thursday, 18 September 2025 (10:00-12:00)
- Thursday, 4 December 2025 (10:00-12:00)

#### Tenure Dates

Member	Appointment	Commencement Date	End Date	Extension End Date 1	Extension End Date 2
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		