



AUDIT AND RISK COMMITTEE MINUTES

Date:	Thursday, 4 December 2025	Meeting Number:	71
Location:	Information & Privacy Commission NSW McKell L15-IPC-M04-14 (IPC Meeting Room) Level 15, McKell Building 2-24 Rawson Place Haymarket NSW 2000 <i>(Microsoft Teams to be made available)</i>		
Time:	010:00-12.30		
Members:	Mr Peter Scarlett (Chairperson) (PS) Ms Sally Pearce (SP) Robyn Gray (RG)		
In attendance:	Emeritus Professor Rosalind Croucher AM, Information & Privacy Commission (RC) Ms Sonia Minutillo, Information & Privacy Commission (SM) Ms Rachel Jhinku, Information & Privacy Commission (RJ) Ms Carla Wilson, Information & Privacy Commission (CW) Mr Ian Naylor, Information & Privacy Commission (IN) Ms Jacqueline Ching Director Financial Control, Dept of Customer Service (JC (for finance discussion) (via Teams) Ms Yasmine Salameh, Information & Privacy Commission (YS) (for finance discussion- Item 7) Ms Lili Zhang, Business Information Security Officer, DCS CISO (LZ) (for cyber security maturity- Item 9C) Mr Hong Wee Soh, Audit Office (HWS) Mr David Daniels, Audit Office (DD) (via Teams) Ms Judy Malpas, O'Connor Marsden (JM) (via Teams) Ms Yas Wickramasekera, O'Connor Marsden (YW) (via Teams) Saurabh Barmecha, O'Connor Marsden (SB) (via Teams)		
Minutes:	Ms Nicola Ryeland, Executive Assistant and Office Administrator (NR)		
Apologies:	Mr Michael Tzimoulas, Department of Customer Service (MT)		

1. **Chair Welcome**

The Chair opened the meeting at 10am and provided a Welcome to Country.

2. **Attendance**

Apologies were received from Michael Tzimoulas.

3. A. **Declarations of interest**

Declarations as noted in paper 3A.

No further declaration from PS and RG.

SP noted her appointment to the Audit Committee of the Royal College of Nursing.

4. A. **Minutes of previous meeting**

The Committee had no comments or questions. The Minutes of Meeting of 18 September 2025 were endorsed by the Committee and confirmed for publishing.

B. **Rolling Action Report**

Item 70.10F noted as completed as it was discussed out of session between PS and RJ. It was decided not to bring forward the external independent review of the internal audit function because the Commission intends to issue an EOI for its internal auditor in the New Year.

It was noted that Item 67.02 could now be marked as completed because SM has had discussions with Treasury about potential inclusion of reference to the MNDB Scheme in TPP20-08 and will follow up with Treasury in due course

5. A. **CEO Report Briefing**

The paper was taken as read.

RC noted the tabling of the Annual Report.

RC opened to the meeting for any questions.

RG referred to the PMES results in the report and asked if any action would be taken in response.

RC shared her approach after the results of the Pulse Survey earlier in the year, noting that all staff had been engaged in workshoping on various topics raised. RC advised that as a result of the Pulse Survey an Implementation Plan had been created, with plan looking forward to 3 months, 6 months and 12 months.

RC noted that rather than trying to unravel the PMES results, because of the Implementation Plan already in place, some threads of the PMES would be addressed, however the plan of a Reflection Day at the 6-month stage of the Implementation Plan, will provide an opportunity to revisit the nature of the work as a statutory agency in a flexible/hybrid working environment.

RC noted that with some of the actions there was a 2-to-3-year view being taken of expected outcomes, and that the Implementation Plan needs time for cultural change to occur.

RG noted that she would be interested to hear in the next meeting the outcome of the Reflection Day. . RC agreed to provide the full PMES results to the Committee.

A further update on the Implementation Plan will be provided in the CEO Report at the next meeting in March 2026.

Action item: Full PMES 2025 Results for the Commission to be provided to the Committee.

6. A. Update from Information Commissioner

The paper was taken as read.

RC noted the Right to Know Week framed around the one international day.

RC advised that an IPC Stakeholder Forum had been held and noted the success of the recent event, and in the future the Commission will be exploring the potential of having it as an in-person event (being mindful of the number of stakeholders and that many are located outside Sydney.)

RG enquired about the status of the functional review. RC advised she had recently received the draft report, noting no significant changes had been recommended and it provided useful information about the historical framework of the agency. RC also confirmed that in terms of risk, no big issues have been exposed. RC will invite the senior executive to provide feedback on the draft report.

RC said that she would bring a further update to the next meeting in March 2026.

6. B. Update from the Privacy Commissioner

The paper was taken as read.

SM highlighted in her report that the MNDB Scheme was celebrating two years and that an MNDB Spotlight Series has been launched on the website to provide the community and stakeholders with key messages to raise awareness of current issues within the MNDB space.

SM noted the fluctuating MNDB numbers, explaining that there does not appear to be a reason why the numbers are inconsistent, but that the numbers continue to be persistent, which validates the need for and significance of the scheme. SM acknowledged that PS had drawn her attention to the publicly reported use of an AI tool by a university, in relation to which SM has sought further information from that university.

SM spoke about the trends reports in terms of the MNDB Scheme, noting that currently the report is provided every 6 months. SM advised that it is intended to move away from the 6 months trends report and move to a narrative trends analysis on an annual basis. SM highlighted the benefits of providing the trends report every 12 months, indicating that it should provide better representation and reliability about what the data is conveying.

SM noted the work around the development of new guidance to build knowledge and fill in any gaps around the MNDB Scheme.

RG asked about the progression of the Privacy Impact Assessment on the Commission's GIPA tool.

IN responded by advising that it has been completed and he will be sending it to the Privacy Commissioner for consultation to take place.

7. Finance Briefing

The paper was taken as read.

IN advised that he has been working with Digital NSW on a combined budget bid for the Commission's contribution to the DIVC project next financial year (extra staffing and a new IT system is needed). IN noted that the level of available funding had been revised downwards due to fiscal constraints and that the relevant legislation has yet to be passed.

SM also noted that the challenge around funding is not limited to IPC and that the DIVC funding will be year on year. The funding will be dependent on the legislation passing next year.

A. Financial Dashboard (October 2025)

The paper was taken as read.

8. External Audit Briefing

JC joined via Teams at 10.35am

The paper was taken as read.

IN noted the external audit reports for FY25 were signed and published to the Committee out of session and that planning for next year's audit has begun.

DD advised of the recent reports to Parliament, noting that the NSW Auditor-General's Report | Financial Audit regarding the consolidated state finances had recently been tabled in addition to the report on State agencies Internal Controls and Governance 2025 which covered the top 40 State agencies. DD outlined the significant findings of that report, highlighting contingent labour, overpayments and procurement.

PS asked IN if the IPC is satisfied that the work being done by DCS to enhance DCS's internal control framework over its financial information and systems would be sufficient to enable him to provide the relevant certification to the CEO..

IN advised that the recent independent audit/assurance reports received in September were relied on, noting that the report reviewed all the internal controls and that no deviations had been noted in the reports.

IN confirmed that he is satisfied with the work being done by DCS regarding its internal control framework.

JC left the meeting at 10.50am

9. Agency Planning and Reporting Briefing

The paper was taken as read and noted.

A. Monthly IPC Case File Dashboard (October 2025)

The paper was taken as read and noted.

B. Quarterly Report to the Attorney General & Minister Dib – Quarter 1, July to September 2025

The paper was taken as read and noted.

C. Cyber Security Maturity (LZ)

LZ joined the meeting at 10.50am

The paper was taken as read.

Strategic Threat Environment

LZ outlined and highlighted the current threat landscape.

LZ noted that CISA, the USA cyber security infrastructure, advised that attackers are now using commercial spy ware to target messaging apps such as Signal and WhatsApp.

RC noted that the phishing campaigns and exercises had been very useful and effective in raising staff awareness. General discussion took place regarding the tracking of cyber incidents, and the number of incidents relating to staff uploading confidential business or personal data to AI.

SP asked if DCS blocked staff uploading certain types of data to AI. LZ confirmed that DCS has controls in place around staff use of AI (end-point controls and device controls and data loss prevention controls). LZ indicated that there are AI tools that can and cannot be used by staff.

Cyber and Information Security Office

LZ advised that Cyber NSW is encouraging staff to adopt password-less solutions as these are more secure and she highlighted the campaign by Cyber NSW for adoption of password-less solutions.

PS asked for assurance that the IPC has the necessary measures in place to mitigate the high and extreme risks relating to cyber security, as it was difficult to get a sense of this from the report provided. PS enquired whether the cyber security report for the Committee could be enhanced to more directly address this issue.

LZ outlined the consultation process adopted by DCS in relation to agencies such as the Commission in order to identify the priority risk mitigation measures to be implemented in respect of the Commission's cyber security.

LZ advised that she would be able to provide more context to the Committee about the priorities selected, including by providing a roadmap for uplifting the Commission's compliance with the CSP requirements. LZ hoped that this may assist to address the concerns expressed. The roadmap will be ready to be shared by the end of Quarter 1 in 2026.

LZ hopes to provide an update on the CSP Roadmap at the meeting in March 2026.

LZ left the meeting at 11.20am.

Action: LZ to update the Committee on the Roadmap to lift the Commission's compliance with the NSW Government Cyber Security Policy requirements at the March meeting.

D Cyber Security Risk Register

The paper was taken as read.

PS and IN agreed that the Cyber Risk Register be included in the meeting papers of the Committee going forward. All updates are to be noted in red and changes should be tracked from meeting to meeting.

Action: Cyber Security Register to be included in meeting pack of each Committee meeting, with changes since the previous meeting tracked for ease of reference.

E. Internal Controls and Governance Action Plan

The paper was taken as read and noted.

10. Internal Audit Briefing Paper

The paper was taken as read and noted.

RJ noted the two internal audit reports that had been finalised.

A. Workload Management and Workforce Wellbeing

The paper was taken as read.

RJ noted that the Workload Management and Workforce Wellbeing report made three recommendations for agreed management action as stated in paper 10.

JM highlighted in both audits the key strengths, namely a collaborative culture, staff willingness to support each other especially when it was a new colleague, or a colleague feeling overwhelmed. In addition, good use of technology, good procedure support, ongoing training and commitment to wellbeing.

JM also noted that in the regulatory compliance review there was evidence of a robust control environment, which is well documented and regularly reviewed, overseen by the Executive and the Audit & Risk Committee.

RG referred to the internal audit open actions register, item number one, *'Investigate the feasibility of a program to upskill or cross-train staff across relevant teams within IPC to support the workload demands'*. RG asked if the action would be both the feasibility and implementation of the action by 30 June 2026. JM said that feasibility and the implementation were two different things, the feasibility is to be completed by the proposed June 2026 date, and if it was decided that the action should be implemented, then a new date for implementation would be set.

RG also referred to item number three, *'Enhance the existing induction and learning and development program to include roles, responsibilities, key resources to support daily activities, and organisational policies to ensure efficient onboarding for all new staff'*. RG asked whether, taking into consideration the PMES results and the need to enhance the induction, the timeframe was appropriate to the risk that is being managed.

PS also asked if the recommendations and the timeframes were aligned with addressing the PMES 2025 Survey results. RJ assured the Committee that the timeframes were appropriate in all the circumstances.

RJ indicated that the timeframes were set taking into account the ongoing functional review, plus consideration of the resourcing of the HR function, noting that the current arrangements are not funded on an ongoing basis.

RJ advised that further investigation will possibly be needed before the enhancements do take place so that the specific issues that require attention can be addressed correctly and thought can be given to how they will be appropriately managed.

SP noted that the status of the Commission's policies were mentioned in both audits. SP asked if explicit reporting information on the outstanding or overdue policies could be provided.

It was agreed that an update on overdue policies could be provided in the papers of the meeting twice a year. JM suggested that policy review dates should be realistic.

Action: RJ to schedule a twice yearly update to the Committee in relation to Commission policies that are overdue for review.

B. Strategic regulatory compliance

The paper was taken as read and noted.

RJ noted one recommendation in the Strategic Regulatory Compliance report, that being, update and finalise the identified procedure documents to reflect current practices, legislative requirements, and system changes.

C. IPC Audit Management Action Register

The paper was taken as read and noted.

11. Risk Management Briefing

The paper was taken as read and noted.

A. IPC Enterprise Risk Register 2024-2028

CW outlined to the Committee the proposed idea of rolling secondments to the Commission with the assistance of DCS. CW noted that it is an opportunity to develop staff, upskill, or to capture talent from other departments and agencies and to make use of skills available.

PS enquired when the most recent full review of the Risk Register had been conducted. RJ indicated that a full review was undertaken when the current Strategic Plan was formulated.

12. Review of ARC Charter Annual Calendar Briefing

A. Annual Calendar

The paper was taken as read.

SP suggested that the Calendar reflect the obligations of the Commission under the MNDB Scheme.

PS referred to item 1.4 '*Review of Key Risks – IPC management to present current status of risk mitigation and assurance process for selected key risks*'. PS requested that a deep dive into a particular risk be presented to the Committee at each meeting, by the relevant Senior Executive or Manager.

SP suggested and it was agreed that workplace risk be the subject of the first deep dive, given it is a high-rated risk.

RC indicated that she could speak to this risk in her CEO report at the next meeting in March 2026 and that time could be allocated in the agenda for a discussion about this risk.

The Committee will consider the risk register and look at what topics they would like to receive a deep dive briefing on. The Committee will discuss this at the March meeting.

Action: Committee to discuss and identify at the March meeting which risks are to be the subject of future deep-dive briefings at Committee meetings.

B. Enterprise Risk Management and Policy Framework

The paper was taken as read.

SP asked about the decisions made outside of policy, and whether they are noted on a separate register.

It was suggested that the parameters around a separate out of policy register should be explored further. It was agreed that further thought would be given to the suggestion by RJ.

RG indicated that she had some minor changes to suggest in relation to the Risk Framework, which she would provide to RJ after the meeting for consideration. RJ agreed to circulate the Framework to the Committee for endorsement out of session, with any proposed changes marked in track changes.

Action: RJ to circulate Risk Framework to the Committee for endorsement out of session, with any proposed changes marked.

C. Fraud Control Policy and Framework

The paper was taken as read.

SP noted the policy could benefit from inclusion of a section on responsibilities (as in the Policy Framework document.)

RG indicated that she had some minor changes to suggest in relation to the Fraud Framework, which she would provide to RJ after the meeting for consideration. RJ agreed to circulate the Fraud Framework to the Committee for endorsement out of session, with any proposed changes marked in track changes.

Action: RJ to circulate Fraud Framework to the Committee for endorsement out of session, with any proposed changes marked.

D. Policy Framework

The paper was taken as read.

The Committee resolved to endorse the Policy.

Other Business

The dates and times were confirmed for 2026 as follows:

- Thursday 26 March 2026 – 10am to 12pm
- Thursday 18 June 2026 – 10am to 12pm
- Wednesday 23 September 2026 – 10am to 12pm
- Thursday 3 December 2026 – 10am to 12pm

RC and SM thanked the Committee for their contributions during the year. In turn, PS on behalf of the Committee thanked those present and the organisation for their support and assistance during the year.

The meeting closed at 12.10pm.

Tenure Dates

Member	Appointment	Commencement Date	End Date	Extension End Date 1	Extension End Date 2
Peter Scarlett	Chair	17 June 2025	18 June 2028		
Peter Scarlett	Member	17 June 2022	17 June 2025		
Sally Pearce	Member	6 July 2023	6 July 2026		
Robyn Gray	Member	1 July 2025	1 July 2028		