information and privacy commission new south wales

AUDIT AND RISK COMMITTEE MINUTES

Date:	Thursday,18 September 2025	**Meeting Number:**	70
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 to be made available)***		
Time:	**09:00-11:00**		
Members:	Mr Peter Scarlett (Chairperson) (PS) Ms Sally Pearce (SP) Ms Robyn Gray (RG)		
In attendance:	Emeritus Professor Rosalind Croucher AM (RC) Ms Sonia Minutillo, Information & Privacy Commission (SM) Ms Yas Wickramasekera, O'Connor Marsden (YW) (via Teams) Ms Rachel Jhinku, Information & Privacy Commission (RJ) Ms Carla Wilson, Information & Privacy Commission (CW) Mr Ian Naylor, Information & Privacy Commission (IN) (via Teams) Mr Paul Watkins, Manager Finance, Dept of Customer Service (PW) (for finance discussion) Ms Yasmine Salameh, Information & Privacy Commission (YS) (for finance discussion) Ms Lili Zhang, Business Information Security Officer, DCS CISO (LZ) (for cyber security discussion) Mr Hong Wee Soh, Audit Office (HWS) (via Teams) Mr David Daniels, Audit Office (DD) Ms Nicola Ryeland, Executive Assistant and Office Administrator (NR)		
Minutes:	Nicola Ryeland, Information and Privacy Commission (NR)		
Apologies:	Ms Judy Malpas, O'Connor Marsden (JM) Mr Michael Tzimoulas, Department of Customer Service (MT)		

1. **Chair Welcome**

   The Chair opened the meeting at 9am and provided a Welcome to Country.

2. **Attendance**

   Apologies received from Judy Malpas and Michael Tzimoulas.

3. A. **Declarations of interest**

SP advised of her appointment as Chair of the Australian Law Reform Commission Audit & Risk Committee

Action: Include in further ARC papers list of declarations of interests or Chair and Members.

B. **Disclosures**

Nil

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

The Committee had no comments or questions. The Minutes of Meeting from 10 July 2025 were endorsed by the Committee and confirmed for publishing.

B. **Rolling Action Report**

PS noted item 69.08 '*To consider the Auditor-General's Report on Internal Controls and Governance 2025 and report to the ARC on any issues relevant to the IPC and IPC response at the March 2026 ARC meeting.'*

IN advised that report is not due to be released until late December. IN advised that is the reason no date had been added to the Rolling Action Report. IN stated that when the report is released, he will update the item at the March 2026 meeting.

5 A. **CEO Report Briefing**

The paper was taken as read.

RC congratulated Rachel on her appointment as Assistant Commissioner (Reviews and Compliance).

RC advised that because the Committee had identified the potential risk issue around policy updates, she had taken a deep dive into the IPC's policy relating to policies (the policy framework).

RC noted that she and the Executives are looking at the policy framework to see if it is aligned clearly with the current strategic priorities and values. RC advised she will be taking the lead on the policy review, noting that there are some backlogs due to staffing issues and prioritising the statutory work. RC indicated that she will report back to the Committee at the December meeting.

RC informed the Committee that specific funding had been received for specific roles through the Digital Identity and Verifiable Credential (DIVC) Scheme and that recruitment is currently in progress for the roles.

RG asked about the timeframe for the functional review outcome.

RC responded that the report is in its final stages. The report will be received prior to the next ARC meeting and will be shared with the Committee. IN advised that his understanding is that the anticipated completion date is October.

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6 A. **Update from Information Commissioner**

The paper was taken as read.

RC noted that law reform is of interest to her and is an area that she will be focussing on as the 15th anniversary of the GIPA Act is approaching: she will be assessing what recommendations can be made in her capacity as Information Commissioner. SP raised the issue of whether there was an appetite for reform of the relevant legislation and there was a discussion relating to creating an appetite for reform led by RC.

RC advised the Committee that the NSW Information Commission does not have a determination power, whereas the Information Commissions across the Commonwealth do have a power to make determinations, noting this could be due to the NCAT relationship. This will all form part of her considerations relating to law reform.

RG commented on the Privacy Impact Assessment (PIA) being undertaken on the GIPA tool and asked whether the guidance would be updated on the tool on the IPC website. RC confirmed that the guidance would be updated. CW added that the guidance would be updated as necessary.

IN advised that ElevenM had been engaged and that work had begun on the work on the PIA on the use of the GIPA tool. IN noted the aim is to have the PIA completed by the end November and he hopes to provide an update to the Committee at the December ARC meeting.

B. **Update from the Privacy Commissioner**

The paper was taken as read.

Western Sydney University (WSU)

SM reported on the repeat number of cyber incidents at WSU and advised that the person alleged to be responsible had been charged and is waiting for the proceedings to go forward. SM summarised the bail conditions. SM noted that further notifications from WSU have been received and there is continued engagement with WSU.

Parliamentary Inquiry

SM noted her appearance at the Parliamentary Inquiry on Antisemitism on 15 September 2025, accompanied by CW. SM advised that no formal IPC submissions were previously made and that the Privacy Commissioner was invited to appear as a witness. SM noted the key areas of interest of the Inquiry appeared to be the doxing laws and the use of publicly available information on public registers, such as the Electoral Roll and the Land Register, that may be used to harm others. One question was taken on notice.

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Chat GPT Data Breaches

RG asked about the data breaches resulting from the input of personal information into Chat GPT and whether there is a need for more emphasis or highlighting to agencies around the possible misuse of personal details entered into ChatGPT by their employees.

SM advised that IPC and DCS have provided ample guidance for agencies relating to acceptable use of AI and that there is a continuing role for DCS and IPC to encourage agencies to own the issue and create a culture of responsible use of AI that is tailored to the agency. It is important for agencies to educate their staff and provide parameters around what is acceptable and what is not acceptable use of AI. In addition, the IPC has a role in raising awareness and encouraging agencies to deploy the Artificial Intelligence in a safe and responsible way. RJ commented that some of the employees involved in AI breaches were staff on short-term contracts who may not have received appropriate induction and guidance about agency policies.

SP raised a question regarding the type of breaches and whether there is a systemic issue or each breach involves individual issues.

SM advised the issue is contained to a single agency and the conduct of two individuals. Although the incidents occurred more than twice, noting that the irregularity was picked up in the agency's detection system.

Paul Watkins from DCS joined the meeting at 9.35am. IN introduced PW to the Committee**.**

7. **Finance Briefing**

The paper was taken as read.

A. Financial Dashboard (August 2025)

Paper taken as read.

There was a discussion initiated by the Chair relating to the contingencies in place to meet any potential deficit. IN assured the Committee that there is a robust cash reserve and that the $380K relates to a timing issue with the Digital Restart Fund funding.

SP asked if the balance sheet could be tabled at future meetings and for it to be included in the papers. It was agreed this would take place into the future.

Action: Future Finance Briefings to include a balance sheet.

8. **External Audit Briefing**

The paper was taken as read.

IN thanked the Audit Office and their staff for preparing the Engagement Closing Report in readiness for the ARC meeting.

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IN stated that a minor issue was raised by the Audit Office, that being in the Financial Statements on page 17, noting a minor change proposed from '*Information Commissioner*' to '*CEO*' in the financial statements.

IN stated that the bank signatories have been updated and actioned.

A Review of financial statements

After consideration and discussion of papers referred to at items 8B, 8C and 8D, the Committee considered the Financial Statements. The Committee endorsed the Financial Statements for signature and submission to the Audit Office.

The Chairperson expressed the Committee's thanks to the IPC and DCS Finance Teams involved in the preparation of the Financial Statements and to the Audit Office personnel involved in the audit, and congratulated them on an excellent result.

B. Engagement Closing Report

The Committee noted the Engagement Closing Report.

DD spoke to the closing report, highlighting Section 3.1 and advising of the issuing of an unmodified independent Auditor's Report after the outstanding matters have been addressed, noting they are normal at this phase of the audit.

DD advised there are no matters to report in the statutory report, noting a clean audit.

DD confirmed that no management letter will be issued.

DD noted a continued area of focus under key issues was the Mandatory Notification of Data Breach Scheme looking at the expenditure and how it being it is accounted for. DD advised there were no concerns or issues raised.

DD noted there were no areas of non-compliance.

DD expressed thanks to the Finance Team for their assistance.

C Audit management representation letter

The Committee endorsed the letter for signature and for submission subject to the amendments being made as discussed in response to Committee comments.

IN advised that he had confirmed with the Audit Office that the reference to TPP 17-06 (page 59 of meeting pack) is a redundant paragraph and will be deleted from the letter before signature.

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D. Internal control certification

Noted as review by ARC completed out-of-session.

· Noted as submitted to Treasury on 15 September 2025.

9. **Agency Planning and Reporting Briefing**

The was paper taken as read.

A. Monthly IPC Case File Dashboard (August 2025)

Noted

B. Quarterly Report to the Attorney General & Minister Dib – Quarter 4, April to June 2025

Noted

C. Cyber Security Maturity

LZ joined the meeting at 9.55am.

The paper was taken as read.

LZ outlined the threat landscape, the annual attestation results required by Cyber Security NSW and the risk profile.

LZ highlighted the escalation in the rise of politically motivated cyber-attacks targeting the Australian public sector's infrastructure, largely driven by activist groups responding to Australia's response on Ukraine and Israel. As a result of recent attacks which have by-passed MFA, DCS is encouraging agencies to adopt the FirstPass Passwordless solution. There was discussion relating to the need for clarity in relation to the storage of personal biometric data required in the adoption of this solution, and clarity about who is able to access this data; before IPC will encourage its adoption by its staff.

Action: IPC and DCS to work together to explore further adoption of FirstPass including through provision of further information.

LZ indicated that DCS engaged an independent third party to conduct the assessment of its cyber security maturity this year. In response to the Committee's enquiry, LZ explained that the more rigorous assessment led to the status of two of the criteria (Risk Appetite and Access Controls) being changed from "Met" last year to "Partially Met" this year. LZ indicated that the current NSW Government Cyber Security Policy does not require assessment of the cyber security maturity of third party vendors,

PS asked if IPC is satisfied that it has in place appropriate arrangements to identify and manage its cyber security risks; whether there were any significant unmitigated risk exposures or any areas where more needed to be done.. SP raised the issue of IPC's Risk Appetite.

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IN responded by indicating that the Commission is satisfied with where it is at present but that it is a constantly evolving space and so it is a constant work in progress. IN advised that he and YS have regular meetings and that LZ communicates regularly when there is a cyber-attack report and/or there are developments to be aware of. As a result of weekly/monthly meetings with LZ/Cyber, things are being done to reinforce and strengthen cyber security resilience. LZ also added that she happy with the progress being made by the Commission in respect of cyber security maturity.

The Appendix to item 9C was noted as read. The Committee acknowledged the very helpful report summarising the thrust of the Audit Office Cyber Security Insights report.

D. Cyber Security Risk Register

The paper was taken as read.

The Chair initiated a discussion of the procedure adopted by IPC for closing out a Mandatory Data Breach Notification. SM provided a detailed explanation of the procedure and options available to IPC under its legislation in this context. RC commented that this was an area for consideration in relation to review of the relevant legislation.

IN highlighted the risks at 'monitored' and explained there were controls in place after speaking to DCS CISO. IN also noted the risks 'in progress' being MFA and the contract with Resolve. IN stated he has initiated discussions with Resolve and that the contract expires in February 2026, but the intention is to negotiate the new contract this year.

LZ left the meeting 10.25am.

10. **Internal Audit Briefing**

The papers for this item were all taken as read.

A. IPC Audit Management Action Register

SM noted that the audit action item relating to leave has now been completed and can be moved to the completed items section of the Register.

RJ noted the two audits on-foot from the 2024/2025 program. RJ advised that since the paper was drafted, she had received the final version of the Workforce Management and Workforce Wellbeing report from OCM and it is currently being reviewed.

RJ noted a draft of the Strategic Regulatory Compliance report is to be received shortly.

RJ noted the Talent Acquisition and Staff Talent audit has kicked off from the 2025/2026 internal audit program.

RJ reported no other significant updates to the Internal Audit Action Register.

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RJ advised that the additional column that had been requested at the previous ARC meeting had now been included on the IPC Internal Audit and Management Actions Register i.e. for the level of the risk rating of the audit finding.

B. Review of Internal Audits against key risks identified in the IPC Risk Register

PS raised risk number 11 (the risk of a Cyber Security incident) and asked whether the related audit should be brought forward to FY2027 rather than FY 2028.

In response to SP's inquiry, IN confirmed that there is a standing arrangement with DCS that it will bring the outcome of any DCS internal audits relevant to the IPC's operations to the IPC's attention. IN said that when they are received, he will bring them forward to the Committee.

C. OCM Annual Declaration

Noted.

D. CAE Annual Declaration

Noted.

E. Internal Audit Manual and Charter

PS asked about the 2025 Global Audit Standards and the updates to the IA Manual that will be required as a result.

YW confirmed that the global standards had come into effect, and that OCM have revised all templates including its audit reports and the audit methodology to reflect the 2025 global standards.

PS noted that the Internal Audit Charter should be reviewed/updated to reflect the Model IA Charter attached to TPP20-08.

PS indicated that RG will share with RJ suggested amendments/updates to the IA Charter and Manual out of session. .

Action: RJ to circulate updated versions of IA Charter and IA Manual for Committee's approval out-of-session.

F. Self-Assessment Against IA Standard

PS asked whether the self-assessment was based on the Global Standards and indicated that the 2025 Global Standards would apply to IPC from February 2026, when the transition period ends. There was discussion relating to bringing forward the independent external quality review (required to be conducted every five years; and on the last occasion, conducted by the IIA.) The advantage of this course would be that the IIA would make recommendations to assist the IPC in its adoption of the 2025 Audit Standards.

PS and RJ will discuss this topic out-of-session. The IPC may be assisted by liaison with the Ombudsman's Office on this topic.

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Action: RJ and PS to discuss the timing of the next independent quality review of the internal audit function.

11. **Risk Management Briefing**

The paper was taken as read.

A. IPC Enterprise Risk Register 2024-2028

RJ advised there were no changes since the previous ARC meeting.

IPC intends to review its Strategic Planning cycle, which will affect the timing of the next comprehensive review of the Enterprise Risk Register. The IPC reports quarterly to the ARC on any changes to the Register.

12. **Review of ARC Charter Annual Calendar Briefing**

The paper was taken as read.

A. Annual Calendar

Noted.

B. Report on ARC Work for the Year

Meetings held and attendance by members

PS referenced the dates referred to in the report, and noted the dates provided were incorrect. It was agreed the meetings were held on 11 July 2024, 27 September 2024, 5 December 2024 and 27 March 2025.

References to RG be removed.

RJ to update the report as discussed at the meeting

C. Internal Audit and Risk Management Attestation Statements

PS noted the need to amend to refer to Marcia Dohency's term as ARC Chair to 17 June 2025, remove all references to RG and update PS's term to include him as a member.

RJ to update the report.

D. Review of the Audit and Risk Committee Charter with Treasury Policy (by means of a self-assessment checklist)

After discussion, RC suggested amendment of the self-assessment checklist to add an explanatory note reflecting its purpose and who it was conducted by.

Action: Self-assessment checklist to be amended by RJ to add an explanatory note reflecting its purpose and who conducted the self- assessment.

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E. Review of the Audit & Risk Committee Charter

The Committee has discussed the ARC Charter out of session and suggested amendments to bring it into alignment with the Model ARC Charter in TPP20-08. The Committee's suggested amendments are reflected in the version included in the meeting pack. The Committee approves the ARC Charter.

A clean copy is to be provided to the Committee out-of-session upon its completion and when it has been signed.

IN to provide this to the Committee.

Meeting closed at 11am. Immediately after the open meeting, the Committee met in camera with DD and HWS of the Audit Office and then met in camera with YW of OCM, as required under its Charter.

Schedule for 2025

Thursday, 4 December 2025 (10:00-12:30 including 'Thank You' morning tea)

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		

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