MINUTES | AUDIT AND RISK COMMITTEE

Date: Thursday, 26 March 2026 **Meeting Number:** 72

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 made available)

Time: **10:00-12.00**

Members: Mr Peter Scarlett (Chairperson) (PS)
Ms Sally Pearce (SP)
Ms 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 Amy Gray, Information & Privacy Commission (AG)
Mr Ian Naylor, Information & Privacy Commission (IN)
Ms Jacqueline Ching, Director Financial Control, Dept of Customer Service (JC) (for finance discussion)
Ms Yasmine Salameh, Information & Privacy Commission (YS) (for finance discussion)
Ms Lili Zhang, Business Information Security Officer, DCS CISO (LZ)
Mr Hong Wee Soh, Audit Office (HWS) (via Teams)
Ms Judy Malpas, O'Connor Marsden (JM)
Ms Yas Wickramasekera, O'Connor Marsden (YW)

Minutes: Ms Nicola Ryeland, Executive Assistant and Office Administrator (NR)

Apologies: Mr David Daniels, Audit Office (DD)
Mr Michael Tzimoulas, Department of Customer Service (MT)

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1. **Chair Welcome**

   The Chair opened the meeting at 10am and provided a Welcome to Country. The Chair welcomed Ms Amy Gray to her first Committee meeting.

2. **Attendance**

   Apologies were received from Michael Tzimoulas and David Daniels

3. **Declarations of interest**

   Declarations as noted in paper 3A.

   Disclosures

   No additions to be noted

IPC Audit and Risk Committee Declaration – managing potential and actual conflicts of interest arising from IPC regulatory functions.

IPC ARC members:

1. recognise that the IPC regulates five sectors: NSW Local Councils; NSW Govt. Agencies; State Owned Corporations; Universities, and Ministerial offices; and
2. acknowledge that this regulatory context may potentially present perceived or actual conflicts of interest for IPC ARC Members; and
3. confirm that in general ARC agendas, discussion and advice does not detail individual regulatory initiatives; entities or cases; and
4. undertake to provide a declaration and where necessary absent themselves in the event of agenda items or discussions enlivening any perceived or actual conflict of interest.

4. **Minutes of previous meeting**

The Committee had no comments or questions. The Minutes of Meeting of 4 December 2025 were endorsed by the Committee and confirmed for publishing.

Rolling Action Report

Action item 67.02 to be noted as closed. The Committee suggested that future Rolling Action Reports circulated in the meeting pack need only include the Action items not closed by the conclusion of the current Committee meeting together with the new action items generated at the current Committee meeting.

5 **CEO Report Briefing**

The paper was taken as read.

RC explained the history of Standing Order 52, and IPC's considered response.

RC outlined the submission sent to NSW Treasury in relation to proposed amendments to the Government Sector Finance Act. ***RC to share feedback on response from Treasury.***

RC gave a verbal update about the Reflection Day recently held and handed a copy of the Overview for the day to the Committee.

RC advised that the event was well attended and that staff were engaged throughout the day and overall, it had been a constructive day. RC noted that the feedback from staff was very positive. The focus of discussion was What makes for a superior team. RC noted the formation of a Draft Team Charter now being considered by SM and RC, and noted that, once it is settled, she would share the response with the Committee.

RC to share final Team Charter with the Committee when it becomes available.

RC noted that over the next few years she hopes to see an improvement in meeting the Commission's objectives and possibly an improvement in the staff survey results.

The Committee requested a briefing on the follow-up actions taken as a result of the Reflection Day.

RG requested that the Committee be briefed in the future on the IPC'S response to the seven recommendations made in the Functional Review. RC noted that the Review had resulted in the IPC's decision to quarantine the newly funded MNDB roles and to recruit a surge workforce for the I and R team, and that IPC was currently considering whether there is a business case for seeking additional ongoing resources for the I and R Team.

RC to brief the Committee when appropriate on the IPC's response to the seven recommendations made in the Functional Review.

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General discussion took place around MNDB Funding, notifications and the process forward. SM indicated that the IPC recently received a request from Treasury via the DCS, for IPC to evaluate the MNDB Program. Prior to the launch of the MNDB Scheme, IPC was provided with additional funding for six roles for a period of four years, two of which have elapsed. SM is considering whether to engage an external to conduct the evaluation, as the results will be relevant to the IPC's business case for continued additional funding for the MNDB Program.

RC noted the recruitment of surge staff and vacant roles currently being undertaken to address the backlog of work and to address the workload.

6 A. **Update from Information Commissioner**

The paper was taken as read.

RC advised the s.37 report is in its last stages and can be provided at the next meeting.

RC noted that a date had been received for the appearance of SM and RC before the Parliamentary Oversight Committee during Privacy Awareness Week.

B. **Update from the Privacy Commissioner**

The paper was taken as read.

Mandatory Notification of Data Breach Scheme (MNDB)

SM noted the MNDB Scheme and the continued regular and consistent flow of notifications.

SM advised the Committee of the launch of the MNDB spotlight series, which provides an opportunity for an update in a short message that communicates key current issues, which is sent out to agencies with privacy practitioners.

SM noted that Privacy Awareness Week is approaching in May (4 to 10), advising the theme of the week being "*Smart Tech, Smarter Choices – Protecting Yourself in the Age of AI*". IPC will host an event for public sector agencies on 5 May 2026 at the Parliament House Theatrette.

General discussion took place around workload and the use of investigative functions that can be and are being utilized. SM noted the challenge of identifying agencies which are not notifying of data breaches as required by the Scheme and signalled a move towards greater use of IPC's audit and investigation functions, in this context.

7. **Finance Briefing**

A. Financial Dashboard (February 2026)

JC joined the meeting at 10.40am

The paper was taken as read

IN outlined to the meeting the current financial position of the organisation, noting that the agency is in a strong position financially and that there is an underspend in employee-related costs. IPC is considering alternate ways to deploy the underspend, but noted that recruitment of the surge workforce for I and R has a long lead time.

The Committee raised the potential need to draft an accounting paper if the IPC decided to convert some of its capex to Opex.

8. **External Audit Briefing**

The paper was taken as read.

IN highlighted the new approach being trialled by Treasury, noting that the new procedures are meant to streamline interim reporting and to promote audit readiness.

IN noted the timetable for the end of year financial statements, advising that the end of year financial statements are due to be circulated to the Chair and Members by 21 July 2026 and to the Audit Office by 30 July 2026; and that the Audit Office has agreed that the IPC does not need to prepare Early Close Financial Statements this financial year.

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A. Audit Engagement Plan

HWS shared with the meeting the Audit Engagement Plan, noting a new way of presenting the plan, which highlights the agreed key deliverable dates noting the removal of all references relating to early closing procedures being replaced with Interim Financial Reporting and Audit Readiness ("IFRA").

HWS noted there will not be change to the current year's audit procedure. ..

B. 2025/26 Interim Financial Reporting and Audit Readiness Procedures (TPG26-05)

HWS noted flexibility of approach is the intent of TPG26-05, which allows an adjustment depending upon the circumstances of each agency.

HWS advised that an interim management letter would be issued if any high-risk observations were identified by 30 June 2026. PS requested that if any high risk rated issues were reported, the Committee also be informed. IN agreed to notify the Committee if such issues were reported by the AO. HWS indicated that if any low or moderate rated issues were identified by the AO, these would only be reported in the final management letter.

General discussion took place around the new systems being implemented and the functionalities in relation to reporting.

PS enquired about the impact on IPC of DCS replacing GovConnect with My Work Zone. IN indicated that this modern version of SAP will impact financial, payroll and HR data. IN is participating in five related committees and is aware of the risk-mitigation plans.

JC left the meeting at 11.10am.

9. **Agency Planning and Reporting Briefing**

LZ joined the meeting at 11.10am

The paper was taken as read.

A. Monthly IPC Case File Dashboard (February 2026)

Noted.

B. Quarterly Report to the Attorney General & Minister Dib – Quarter 2, Oct to Dec 2025

Noted.

C. Cyber Security Maturity

The paper was taken as read.

LZ provided an overview of the threat landscape in March highlighting the external and internal current threats.

LZ noted the work in progress and provided an update on the strategic initiatives.

In response to questions from the Committee, LZ noted that unapproved AI tools have been blocked, preventing staff use. Microsoft Co-Pilot is approved for use with appropriate managerial approval.

The Committee sought further information in relation to the reference in the covering paper to the investigation of an IPC officer during the reporting period: IN indicated that the relevant issue had been addressed via the introduction of a Data Loss Prevention Scheme (DLPS). There was a discussion relating to measures available to prevent circumvention of the controls in the DLPS, via staff creating and using a Sharepoint folder. LZ indicated that the DLPS is at Stage one and will be enhanced.

LZ left the meeting at 11.35am.

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D. <u>Cyber Security Risk Register</u>

Noted.

10 **Internal Audit Briefing Paper**

The paper was taken as read.

A. <u>Audit Report – Talent Acquisition and Staff Retention</u>

RJ noted the positive findings of the report, and that the recommendations were reflected in the audit management action register. RC also noted that the majority of the agreed management actions had already been completed.

RJ advised that the terms of reference for the next audit (Stakeholder Engagement) were finalised in February, and that the draft audit report and agreed management actions are being reviewed.

B. <u>IPC Audit Management Action Register</u>

RJ noted that the actions were either completed or underway.

RJ advised that a new internal audit service provider, Prosperity, had been appointed from 1 April 2026.

RC and the Chair thanked OCM for their long years of service and positive contribution to the IPC.

C. <u>Annual Internal Audit Plan 2026-2027</u>

It was noted that as a new audit services provider has been appointed, it may be a good time to potentially do a refresh of the audit plan for the financial year ended 30 June 2027 and to re-consider the timing of the proposed DIVC internal audit.

11 **Risk Management Briefing**

A. <u>IPC Enterprise Risk Register 2024-2028</u>

The paper was taken as read.

RJ noted the risk register being reviewed considering the previous survey responses, and more broadly risks around the increase in the volume of cases and ongoing staff vacancies.

RJ noted the risk rating for five (5) had increased, and several actions have been taken forward to reduce and mitigate the risks, such as recruitment of a surge workforce for the I and R Team, with recruitment expected to be completed by 30 April 2026. IN noted that from April 2026 there will be some changes to the DCS staff mobility rules that will benefit IPC through reduction of the timeframes for recruitment.

In relation to the Risk Register, RG suggested:

-deletion from the “Risk Treatment/Actions” column of actions with due dates in 2024 and 2025 and only leave in actions due from April 2026 onwards; consider if any of the 2024 and 2025 actions have been implemented and if any of these should be added to the “Current Controls” column

-better to use role titles than initials for “Action Owners”

-in respect of Risk number 10, add reference to the CEO’s Feb 2026 submission on reform of the GSF Act to the Controls column and delete reference to the 30/3/2025 entry in final column.

B. <u>Deep Dive into Workplace Risk</u>

The paper was taken as read.

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IN noted the history of the organisation, and that the turnover rate had been more prominent in the last 2 to 3 years with a 30% turnover rate, some actions had been discussed at the executive level, and actions are being undertaken around the human resources issues.

IN noted the secondments with like-minded agencies. IN also noted the changes around the mobility process, from 30 April 2026, what was previously a 10-day mobility process will be a 5-day mobility process for ongoing roles greater than 12 months, this reducing the timeline around the recruitment process.

General discussion took place around the service provided and the processes involved in recruitment and the length of time it can potentially take.

The Chair noted that the Committee would speak separately about what the next topic for a deep dive would be. Action item: The Chair to advise RJ of the Committee's suggestion about the next Deep Dive topic.

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

The papers were taken as read.

A. Annual Calendar

Noted.

B. Key Performance Indicators for IPC Strategic Plan 2024-28

Noted. IN confirmed that it is proposed to include targets for the new KPIs that currently lack targets.

Other Business

Meeting closed at 12.05pm

<u>Tenure Dates</u>

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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