

MINUTES | AUDIT AND RISK COMMITTEE

Date:	Thursday, 18 June 2026	Meeting Number:	73
Location:	Information & Privacy Commission NSW McKell L15-IPC-M04-14 (IPC Meeting Room) Level 15, McKell Building 2-24 Rawson Place Haymarket NSW 2000		
Time:	10:00am-12.15pm		
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 Calum Geerin, Prosperity Advisers Audit Services (CG) Mr Alex Hardy, Prosperity Advisers Audit Services (AH) Ms Judy Malpas, O'Connor Marsden (JM)		
Minutes:	Ms Nicola Ryeland, Executive Assistant and Office Administrator (NR)		
Apologies:	Mr Hong Wee Soh, Audit Office (HWS) Mr David Daniels, Audit Office (DD)		

1. Chair Welcome

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

The Chair welcomed CG and AH, the representatives of the newly appointed internal audit services provider, to their first Committee meeting and thanked JM and O'Connor Marsden for their services and contribution to the Commission. The Chair noted that immediately before the meeting, an in camera session had been held by the Committee with JM, as required by the Committee's Charter.

The Chair noted SP's reappointment as a Member of the Committee for a further 3 years.

2. Attendance

Apologies were received from Hong Wee Soh 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 26 March 2026

An amendment was noted on page 2 under the heading '*Rolling Action Report*', as follows:

"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**". The amendment was endorsed by the Committee and confirmed for publishing upon the amendment being made to the previous Minutes.

Rolling Action Report

No current action items are outstanding. The Committee noted the report.

5. CEO Report Briefing

The paper was taken as read.

Functional review implementation

RC referred the Committee to the table of the recommendations of the functional review which provided a status of the implementation of the recommendations.

RC noted the Team Charter and provided a report back to the Committee on the outcome of the Reflection Day, and how the forward commitment to staff has been framed.

Staffing increase

RC noted the surge recruitment to address staff vacancies has been completed after lengthy recruitment processes. RC also noted the Managers and Executives who had overseen the recruitment and acknowledged the burden that it had put on them during the recruiting period.

Pulse Survey

RC referred to the Pulse Survey and advised that the responses received this year were less in number than the previous year, and that some of the responses would include the recent new starters.

RC advised of the work undertaken with staff throughout the year and noted that some issues would require further review. However, overall, she expressed satisfaction with a slightly more positive result compared to the previous year.

RC outlined the intended next steps and drew attention to the potential psychosocial hazards for staff.

RC: to share at the next meeting the developed action plan in response to the 2026 Pulse Survey.

PS raised a question regarding the impact of the new staff and when it is expected that outcomes would begin to be evident in terms of better performance against KPIs. RJ indicated that onboarding of new staff took a minimum of around three months and that the contribution of new staff would gradually impact on the KPIs from then onwards: however, it takes some time for new staff to reach their maximum potential in their new roles.

6. Update from Information Commissioner

The paper was taken as read.

Section 37 Report

RC noted the tabling of the s.37 report.

Engagements

RC advised of the engagements during the period.

IPC Stakeholder Forum

RC indicated that the Commission is considering how to most effectively capture feedback from participants in the on-line stakeholder forum. RC advised that a survey is issued to participants. Which is used to frame future agendas of the forum. RC noted that this is a work in progress and will be subject to continual reevaluation.

SM agreed that it is a work in progress and noted that it is one of a series of activities that are undertaken to reach stakeholders. The survey feedback is used to gain a better understanding of what things are most effective or most important to the stakeholders and will assist in framing the meetings, remembering that the forum is still relatively new.

Update from the Privacy Commissioner

SM provided a verbal update to the meeting and noted her apology for not providing a written paper.

SM provided an overview of the launch of Privacy Awareness Week (PAW) in May 2026 at Parliament House, noting it was a highly successful event with approximately 500 attendees both in person and online. SM further highlighted that it was the single largest attended and supported event in the 15-year history of Privacy Awareness Week in New South Wales.

SM noted the delivery of new resources for the public about AI tools and the use of generative AI by government agencies that were released as part of PAW.

SM outlined her events and engagements during Privacy Awareness Week and thanked the Communications team for their work and coordination, noting that approximately 1,800 people were reached through these activities which also included a community event with senior citizens.

SM noted that the MNDB continues to see notifications made and highlighted the recent notable data breaches that had been publicly reported on.

SM advised that the Community Attitudes Survey results on privacy had been published. The survey is undertaken every two years to gauge community attitudes towards privacy and this year included additional questions on ADM/AI.

SM provided an overview of her speaking events and her participation at the Asia-Pacific Conference 2026 hosted by the Biometrics Institute among others.

SM referred to the appearance of herself and the Information Commissioner before the Parliamentary Oversight Committee and indicated that the Committee asked questions relating to AI and the use of personal information in AI systems by government agencies and their assessment of related risk. IPC is funded for the MNDB Scheme for a further two years (until end of FY28) and a funding bid will be made for further funding at the appropriate time.

7. Finance Briefing

A. Financial Dashboard (April 2026)

JC and YS joined the meeting via Teams at 10.40am.

The paper was taken as read.

IN advised of the work with DCS around the end of financial year, noting the added complexity of the transition from SAP to myWorkZone and timeframes moved due to the new system/changeover time.

SP enquired if the Commission expected anything additional in the budget to be delivered on 23 June. IN indicated that the Treasury wants to wait until the legislation relating to DIVC is passed, before providing any further funding for the Commission in connection with DIVC.

8 External Audit Briefing

The paper was taken as read.

Financial Statements

IN advised that he had been responding to requests from the Audit office as the financials are being reviewed. IN noted that the AO is an apology for this meeting.

IN noted that advice received from Treasury confirms that the IPC is not required to include climate change disclosures in its financial statements for the forthcoming financial year.

IN outlined the work being undertaken with DCS to prepare the financial statements and noted that a timeline had been developed to provide the statements to the Committee by 21 July 2026, allowing nine days for review, with any amendments to be finalised by 30 July 2026. The Committee agreed to provide its comments on the financial statements by email to IN for his consideration.

A general discussion took place around the requirements of climate change reporting, IN advised the Committee and the meeting around the current requirements and that IPC will be exempt from reporting until it meets the thresholds set in government policy.

Internal Control Framework Over Financial Information

IN indicated that he will send the information relating to the Annual CFO Certification relating to Controls over Financial Information to the Committee during August 2026. After discussion IN indicated that he would brief the Committee relating to the controls over financial information for which he was responsible (but not the controls for which DCS was responsible).

SP queried whether there are any gaps in the IPC's internal control framework and what internal controls are currently in place.

IN advised that the CFO certification relates to financial information and outlined that IPC's approach includes its own internal controls.

IN further noted that IPC reviews the annual certificate reports received, that internal controls are subject to spot checks by the Audit Office, and that IPC's internal controls have remained unchanged over the past 12 months.

SP noted the continual monitoring evaluation of the controls throughout the year.

IN noted that quarterly updates on internal controls could be incorporated into the meeting papers. This was agreed to by the Committee.

JC left the meeting at 11.05am

9. Agency Planning and Reporting Briefing

LZ joined the meeting at 11.05am.

The paper was taken as read.

Monthly IPC Case File Dashboard (April 2026)

IN advised of the significant amount of work and time invested during the last quarter in preparation for the transition from SAP to myWorkZone. IN noted that he had communicated with staff regarding their responsibilities prior to the migration, including ensuring timesheets, pay slips, and leave were up to date and actioned as required as part of change management.

IN further advised that both he and YS attended three meetings per week to support and prepare for the migration process.

IN noted there will be support available when the new system is live, and this will be communicated to staff. IN advised that some previously outsourced services by DCS will now be brought in-house.

RG confirmed with IN that he is satisfied with the level of HyperCare available to staff and that the team is adequately resourced. IN confirmed he is confident with the information that he has received and assurances that HyperCare support will be provided for a period of three months.

SP asked regarding the workload on the dashboard and in particular noted the increased volume in privacy.

SM noted a significant increase in the number of complaints compared to previous periods and advised that this occurred in all areas.

SM noted the potential impact of workload on staff.

SM noted that when a staff member leaves and a new staff member takes over a case, the matter is effectively restarted as the case officer familiarizes themselves with the case. This results in a degree of double handling, leading to extended timeframes for resolution.

SM observed that the backlog would need to be actively managed, including establishing the current baseline to better understand the implications and impacts from any increases in staffing.

RJ noted that numbers were assessed when reviewing the need for surge capacity and after looking at the same 6-month period year to year a 30% increase was identified in privacy complaints and privacy internal reviews, seeing more complex matters, in addition to an increase in external review applications.

RG asked about when it would be expected to see changes in the statistics relating to workload as a result of the recruitment of the surge staff. RJ noted that it would be at least three months before a new staff member is confident and able to take on a caseload and able to do case work; however, noting that new staff do not have the same capacity as a staff member who had been doing the work for a longer period. It is anticipated that over the next 12 months the results of surge resourcing will be seen.

Quarterly Report to the Attorney General & Minister Dib – Quarter 3, Jan to Mar 2026

Noted

Cyber Security Maturity

LZ joined the meeting at 11.05am

Paper taken as read.

Cyber Threats

LZ provided an update on cyber threats.

LZ highlighted the recommendations in place.

Awareness and Training

LZ noted the updated 2026 DCS phishing strategy.

LZ advised that IPC reported a better-than-average result, and no repeat offenders, although user engagement had slightly declined.

LZ noted that the training completion had been recorded at 89.7% for employees following the April release of the annual refresh training.

LZ suggested reinforcing to staff that reporting is positive, with a focus on behavioural training, messaging to staff to maintain momentum, celebrating good reporting practices, and addressing the risk through ongoing reinforcement of best practice.

General discussion took place around phishing and whether the IPC;s performance is improving in terms of response to phishing scenarios.

LZ indicated that she can work with the IPC on educational initiatives in this area as it is important to develop a cyber aware culture amongst staff.

Cyber Security Strategy

LZ noted that some uplift initiatives have been progressed and some are in progress, and that work continues closely with the IPC. PS sought and was given assurance that the two recommendations referred to in the briefing for the Committee are being addressed. PS sought clarification as to whether the uplift activities would improve the cyber security of IPC or only that of DCS and whether the IPC's cyber security maturity was improving.

LZ advised that the cyber security strategy is not a single controlled uplift: rather it is a staged delivery uplift agenda across all cyber dimensions. LZ noted the aim is overall risk reduction across the DCS Portfolio.

IN referred to the NSW Government Cyber Security Policy and indicated that a comparison of the IPC's self-assessment for FY26 against last year's self-assessment would demonstrate whether improvements had been made in IPC.

CSP Attestation

IN noted he will conduct a detailed annual assessment of IPC meets the 31 mandatory requirements of the Government Cyber Security policy. IN will provide a detailed assessment at the next meeting and will identify which of the mandatory requirements are within the control of DCS and which are within the control of the IPC and how IPC is addressing the latter.

IN to provide a briefing on the NSW Cyber Security Policy requirements at the next meeting: and will identify which of the mandatory requirements are within the control of DCS and which are within the control of the IPC and how IPC is addressing the latter.

LZ and YS left the meeting at 11.25am

Cyber Security Risk Register

Noted.

10. Internal Audit Briefing Paper

The paper was taken as read.

Stakeholder Engagement Report

RJ advised that the Stakeholder Engagement Report had made a number of positive findings and outlined those findings; in addition to two performance improvement opportunities were identified. The two improvements have been completed and adopted.

2025/2026 Internal Audit Program

RJ advised that audit program scoping had not yet begun.

RJ noted that it was a good opportunity to see what is scheduled moving forward and to consider whether the topics are still appropriate. RJ proposed a review of the risk register so that the forward audit items are aligned to the areas at most risk and that the appropriate controls are addressed.

RG asked about the recommendation for a future review of the Stakeholder Engagement plan and sought confirmation that there is a way of tracking it internally.

IN advised that the Stakeholder Engagement Plan was adopted last year for four years. IN noted improvements could be made in the plan when the plan is next reviewed in 2028.

It was agreed that the Review of the Stakeholder Engagement Plan would be added to the Policy Review Register.

Internal Audit Management Action Register

Noted

11. Risk Management Briefing

IPC Enterprise Risk Register 2024-28

The paper was taken as read.

PS asked about the usual process for the review of the Risk Register.

RJ advised that the logistics of the review were not currently confirmed. RJ noted that when the Strategic Plan was settled it was agreed historically that the Committee and the internal audit services provider would review the risks and any potential risks that may arise and adjust the Risk Register accordingly. RJ will bring the Risk Register back to the Committee for consideration at the next meeting.

RJ advised that the Risk Register had been reviewed for this meeting without any substantive changes. RJ advised of a future mid-point review of the Register to align with the strategic priorities.

Risk Deep Dive

The deep dive for the ARC meeting in September 2026 will be the Investigations and Reporting Team.

PS raised Risk numbered 5 on the Risk Register and asked if the current rating is realistic, noting that the rating had been rated from extreme to low. It was agreed that the rating should be upgraded to moderate.

RG raised items 1, 3, 10 and 12 for consideration and noted the risk response of the agency as 'reduce' although each of the risks is stated to be within the risk appetite, and there is no risk treatment recorded next to the relevant risk.

RG raised Risks numbered 11 and 12 and queried the ratings applied.

General discussion took place and it was agreed that a review would take place of those risks.

Deep Dive: Legal Counsel Regulatory Advice (LCRA)

The paper was taken as read.

AG provided a detailed outline of the work of LCRA to the Committee which included its policy responsibilities and legal function within the IPC, in addition to other work that requires legal advice, such as corporate proceedings and providing advice to the Commissioners.

General discussion took place relating to the key risks of the LCRA and the measures taken to mitigate them. The Committee thanked AG for the detailed and considered briefing note provided for this agenda item.

12. Review of ARC Charter Annual Calendar Briefing

The papers were taken as read.

Annual Calendar (Quarter 4)

Noted.

PS noted the annual in-camera session with the external auditors is currently scheduled for Quarter 4. It was agreed that the annual in-camera session with the external auditors should occur in Quarter 1 (September) going forward, marking the change as ongoing and permanent.

The annual calendar is to be updated to reflect the change.

IPC Legislative Compliance Register-May 2026

Noted.

There was discussion relating to the recent amendments to the WHS Act relating to digital systems, including algorithms. IN will provide the Committee with an update on IPC's implementation of these amendments.

The meeting closed at 12.15pm

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	6 July 2029	
Robyn Gray	Member	1 July 2025	1 July 2028		