



AUDIT AND RISK COMMITTEE MINUTES

Date:	Thursday, 28 March 2024	Meeting Number: 64
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:	10:00-12:00	
Members:	Ms Marcia Doheny (Chairperson) (MD) Ms Sally Pearce (SP) Mr Peter Scarlett (PS)	
In attendance:	Mr David Daniels, Audit Office (DD) Ms Rachel McCallum, Information & Privacy Commission (RM) Ms Sonia Minutillo, A/Privacy Commissioner, Information & Privacy Commission (SM) Ms Judy Malpas, O'Connor Marsden (JM) Ms Yas Wickramasekera, O'Connor Marsden (YW) Mr Andrew Pickles, A/CAE, Information & Privacy Commission (AP) <i>Ms Carla Wilson, Information & Privacy Commission (CW)</i> Mr Ian Naylor, Information & Privacy Commission (IN) <i>Ms Yasmine Salameh, Information & Privacy Commission (YS) (for finance discussion)</i> Ms Neharika Gossain (A/Director), Department of Customer Service (NG) (for finance discussion)	
Minutes:	Lynley Mattes, Information & Privacy Commission (LM)	
Apologies:	Mr Michael Tzimoulas, Department of Customer Service (MT) (for finance discussion) Mr Hong Wee Soh, Audit Office (HWS)	

ITEM

1. Chair Welcome

The Chair formally welcomed Rachel McCallum (IPC CEO/IC) and Andrew Pickles (IPC) and all attendees and provided an Acknowledgement of Country.

2. Attendance

Apologies received from Michael Tzimoulas & Hong Wee Soh.

3. A. Declarations of Interest

SP advised that she is now an Independent Member of TAFE NSW and the Communities & Justice Audit and Risk Committees and the Chair of Far West Local Health District Board.

B. Disclosures

Nil.

4. A. Minutes of previous meeting of 16 November 2023

PS noted on page 7 that a reference to AG Stat Audit Report states modified Audit Report. This should be unmodified Audit Report.

Action Item: LM to amend Minutes as per above before publication on IPC website

The Minutes of Meeting from 16 November 2023 were endorsed by the Committee and confirmed for publishing once the amendment has been made.

B. Rolling Action Report

The paper was taken as read and noted.

Action Item: LM to update all 8 items as discussed (TF x 1 & IN x 7)

5. A. Update from the CEO/Information Commissioner

The paper was taken as read.

Rachel McCallum gave a short update of her experiences over the years and a short update of aligning the IPC more with other integrity agencies.

The Privacy Commissioner role is being advertised until 7 April 2024.

RM noted two referrals have been received from the ICAC and the PSC and it is proposed to engage OCM to assist IPC's review of matters raised. The issues are about the IPC management, not external agencies' GIPA/privacy conduct. Both are PIDs for reporting purposes but a formal investigation is not mandatory. OCM added that the proposed consultant is an ex-ICAC officer. RM noted the issues raised would also inform IPC's ongoing response to the PMES, which includes commencing a Workplace Cultural Review. The review will be undertaken by the same external experts engaged to assist development of the IPC's new Strategic Plan.

RM noted the HR-related management matters raised in the paper were for information/awareness of ARC members only.

In relation to Regulatory Issues, RM gave a brief overview of the recent successful use of the website scanning tool ("Regulatory Tool"). RM also noted that the Section 37 Report is being finalised for tabling in May 2024, despite an absence of data (due to March election) for Ministers' Offices. The Chair queried the breakdown of applications to media, legal representatives and members of the public would be interested in reporting data. SM confirmed that this is just preliminary data and that up-to-date information is also published on the agency dashboard available to the public.

RM noted the IC and A/PC appearance at the NSW Parliament's March AI Inquiry & the A/IC's appearance at the Victorian Parliament's February FOI Inquiry. RM confirmed that the IC's and A/PC's appearance before IPC's Parliamentary oversight committee had been deferred to 2 May 2024.

The Committee thanked RM for her update.

B. Update from the A/Privacy Commissioner

The paper was taken as read.

Operation of the MNDB Scheme commenced after the last meeting. The Scheme is operating as intended and the IPC is not seeing huge numbers. The majority of incidences are human error. Communication of notifications to affected individuals and further guidance (Law enforcement exemptions) was highlighted as areas for further work. Agencies have been notified that we will be using the Regulatory Tool this quarter to scan and test websites in relation to the existence of Data Breach Policies which is required under the Scheme.

The Committee highlighted to the CEO/IC that its concern had been the risk of agencies misunderstanding of the IPC's role. The IPC advised we have been very clear that agencies own the responsibility to undertake the Risk Assessment.

The Committee congratulated the IPC on the implementation of this role. The IPC highlighted Rachel Jhinku's input and the I&R Team.

DCS Finance joined meeting (10:30)

6. A. Financial Dashboard (February 2024)

The paper was taken as read.

The IPC highlighted the deficit, New Policy Proposal, refund of duplicate charges and ARC Member payment via invoice. Absorbing the deficit this year which will not be able to continue year on year.

The Committee queried whether the AO has any ongoing concerns. The AO advised that the cash flow forecast is reviewed and an assessment made by the AO. Discussion was had around funding of integrity agencies.

7. External Audit

A. 2023-2024 IPC Annual Engagement Plan

The paper was noted and the key issue was highlighted.

The main change is a change in definition for material accounting policies and remove those which are immaterial (contained in the Appendix). The Committee queried the difference between significant and material. Material is vital to the understanding of the accounts and significant is only to the preparation of the accounts.

The AO advised of the appointment of Bola Oyetunji as the new Auditor General.

Treasury has issued a number of new TP's and the NSW Cyber Security Policy 2023-2024 has been released with some changes to the policy compared to the previous year (minimum maturity level of 1). The Committee queried whether the maturity level assessments have changed. It is becoming difficult for smaller organisations to fund implementation of minimum cyber security maturity measures/enhancements. The Committee noted that not meeting the mandated maturity level needs to be noted in the Attestation and creates more reputational risk.

Discussion was had around moving the 19 September 2024 meeting to Friday, 27 September 2024. Early close financial statements are to be provided by email with responses via email. The Committee is to advise whether an out of session meeting is required when the papers have been received.

Action Item: LM to move the 19 September 2024 meeting to Friday, 27 September 2024

The Committee endorses the approval of the NSW Audit Office Audit Engagement plan.

Discussion was had around small agencies and internal control frameworks under the shared services model.

DCS Finance left meeting @ 11:03

8. Agency Planning and Reporting

A. Monthly IPC Case File Dashboard (February 2024)

This paper was taken as read and a short summary was provided.

The Committee queried the case management system used and the likelihood of a replacement or significant change. The IPC noted budgetary constraints mean it is not realistic to explore a whole new system at this time and that making modest enhancements to the current system (Resolve) is preferred. Risks and considerations have been highlighted in this report. The Committee noted that other agencies have difficulties changing ICT systems and this is a consideration that must be taken into account by the IPC. The IPC noted that a business case and budget bid would be required for funding any new system. Vendor assurance has been gained by the number of government agencies across Australia using Resolve.

The Committee noted on page 60 a number of items under target, and queried what happens when IPC is missing the target? IPC noted that over the last 3-4 months there have been many acting arrangements and vacancies that have had an impact on achieving targets. IPC managers use daily/weekly data from Resolve to manage workloads and priorities. The Committee asked that the IPC considered a summary of these figures in the Quarterly Report to the Ministers. RM agreed that this could be considered for future reports and noted that all targets were being considered to understand them better, including for example whether the NCAT targets were useful indicators.

Item 8 covering paper. The Committee members discussed the layout of the papers and difficult cross-referencing to both the agenda and papers' appendices. IPC agreed that changes would be made to clarify the numbering system and ensure agenda items corresponded to the accompanying papers and appendices.

Action Item: LM & AP will action this request for future meetings

B. Quarterly Report to the Attorney General & Minister Dib – Quarter 2, October 2023 – December 2023

This report was taken as read. As suggested by the Committee at the November meeting, this report is now being circulated to IPC Staff in the monthly IPC Staff Message.

C. Cyber Security

The paper was taken as read and noted.

D. Auditor-General Report on the Internal Controls & Governance – IPC Progress Report

The paper was taken as read and noted.

E. Update of WHS actions arising

The paper was taken as read and noted.

9. Internal Audit

A. Records Management – Status Register

The IPC spoke to the Status Register of this audit. Increase out consistency of sharing documents via Office 365.

The IPC requested the endorsement to close the Records Management Internal Audit. The Committee agreed to the closure of all actions.

B. Business Continuity & Cyber Security Audits

The IPC spoke to the open action items and there was discussion around Information Security Controls and Assurances. The Committee agreed that the open management action regarding Resolve can be migrated to the Risk Register, with any appropriate updates to the IPC's BCP and Cyber IA Action Plans, to allow for this matter to be closed.

C. Leave Records Audit

The paper was taken as read. This was distributed to the Committee out of session.

D. Purchase Card Audit

The paper was taken as read. The Draft Report has been provided to the IPC and OCM are awaiting response (IN).

E. Draft Strategic 2-Year Internal Audit Plan

The paper was taken as read and noted.

10. Risk Management 2022-2023

A. IPC Risk Register (includes WHS) Q3 2023-2024

The paper was taken as read and a short summary of the changes provided.

The Committee queried whether the Risk Register has been updated with the commencement of Rachel McCallum and with the upcoming Strategic Review. Timely now for a refresh, starting from scratch and a good opportunity for the new CEO/IC to understand the business and risk. 07 cyber and issue – how do you manage this complex risk. Risk appetite process as part of the strategic plan may be helpful. The IPC advised that risk appetite statement was provided to the committee last year before SF appointment and OCM did a review of IPC's ERM framework and the development of a risk appetite statement was identified in that process.

The IPC noted that the external experts engaged to assist IPC with its new Strategic Plan will be available to meet with the Committee members if they wish to provide feedback. Committee members will receive an invitation shortly.

Action Item: Enterprise Risk Management Policy and Framework to be sent to the Committee out of session

The Committee noted the risk register as tabled. RM noted that as new CEO she was reviewing it and had some queries, including S12 and whether this was still relevant to record in the specific manner framed. OCM noted it no longer records a specific COVID-19 risk in its own register. The Committee discussed whether it may be more appropriate to record as a “pandemic” risk instead or to deal with only in BCP arrangements. IPC to give further consideration to this matter.

11. Review of ARC Charter Annual Calendar

The paper was taken as read and the Calendar noted.

A. Annual Calendar

The Committee noted this report and the IPC confirmed that all items have been address TPP 20-08 in the paper.

B. Review Performance Management Framework (Dashboard)

The IPC noted that this dashboard measures how our strategic objectives are/have been met. This report will be reviewed with the Strategic Planning Review. The Committee noted this report and that it will be updated in due course.

C. Review Code of Conduct and processes to ensure compliance

The Committee queried whether they were subject to the IPC’s Code of Conduct. RM noted her view was “no” (officially only for employees, contractors and office holders) but the IPC can clarify whether the Prequalification Scheme (under which ARC members are engaged) has been updated, what code of conduct applies to pre-qualified scheme members and if/when it expires.

Action Item: IPC to distribute Code of Conduct applicable to ARC members, including an update on the status of the Prequalification Scheme

D. Trends on Gifts and Benefits

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

Action Item: LM to investigate if the Orca picture is missing

E. Review of IPC Cyber Security Maturity

Item 8, the paper was taken as read and noted.

Other Business

IPC noted that EDRMS/TRIM has finally been upgraded to a new server.

The meeting closed at 11:52.

Schedule for 2024

- Thursday, 11 July 2024 (10:00-12:00)
- Friday, 27 September 2024 (10:00-12:00)
- Thursday, 5 December 2024 (10:00-12:00)

Tenure Dates

Member	Appointment	Commencement Date	End Date	Extension End Date 1	Extension End Date 2
Malcolm Clinch	Member	5 July 2015	5 July 2018	5 July 2021	5 July 2023
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		