



## Audit and Risk Committee Meeting Minutes

### IPC ARC Meeting No. 23

Wednesday 2 December 2015, 2.45pm to 4.45pm

#### 1. Attendance

<u>Members:</u>	Ms Lyn Baker (Chair), (LB), Mr Paul Crombie (PC)
<u>In attendance:</u>	Ms Elizabeth Tydd (ET), Ms Samara Dobbins (SD), Ms Roxane Marcelle-Shaw (RMS) (Chief Audit Executive), Ms Anwen Rowe (AR), Ms Pamela Robertson-Gregg (O'Connor Marsden), Ms Somaiya Ahmed (Audit Office), Robert Hayek (Audit Office)
<u>Apologies:</u>	Mr Malcolm Clinch (MC) (however comments were provided on the papers via the Chair)
<u>Minute Secretary:</u>	Ms Anwen Rowe (AR)

#### 2. Declarations of interest

Lyn Baker informed the Committee she is on the ARC for NSW Ambulance. Paul Crombie informed the Committee that he had finished his term for Department of Justice.

No additional declarations of interest were made.

The meeting **noted** this advice.

#### 3. Minutes of previous meeting and Rolling Action Report

Minutes of meeting 21, 2 September and of meeting 22, 24 September 2015 were **approved** subject to one minor typographical amendment in the minutes for the meeting held on 2 September and **adopted** by the Committee. Members **acknowledged** these minutes would be proactively released on the Information and Privacy Commission's (IPC) website.

*Action item 1: Publish minutes of 2 September and 24 September 2015 on the IPC website.*

The Committee **noted** the Rolling Action Report, and the fact that all matters were either complete or on the agenda.

#### 4a. Update from the Chair

LB discussed her concern regarding the identified WHS issues and the resultant risks to the organisation. LB informed members she had expressed her extreme concern to the Department of Justice (DoJ) Secretary who acknowledged her concern. The Secretary informed LB that a further review was being undertaken. LB has made a further request to the Secretary for a discussion regarding the ongoing situation.

#### 4b. Update from CEO/Information Commissioner

ET informed the Committee she had received advice from the Public Service Commissioner (PSC), and that a meeting had been scheduled with staff on Monday 7 December for an update regarding the review. ET stated she will update members on the outcome of Monday's meeting.

LB commended staff on the work outcomes of the IPC notwithstanding the extreme circumstances.

LB informed members she would proceed through the meeting without focusing on the review issues given the scheduled meeting with staff.

ET updated members on the recent Information and Privacy Advisory Committee (IPAC) meeting, where IPAC members commended staff on the volume of work achieved by the IPC.

ET informed members of quarterly reports that will be provided to the Attorney General and Secretary.

ET also discussed Cash Management Reforms, including the revised approach, and that there is an apparent overspend in the operational budget although the situation is settling down. ET confirmed she will be looking at expenditure and risks going forward once the meeting between the PSC and staff had taken place.

The Committee **noted** the Information Commissioner's oral report.

#### **4c. Update from Director Business Improvement**

SD provided an update on the monthly dashboard report and members discussed options to improve the reporting and format. SD informed members a workshop with O'Connor Marsden was scheduled for next week to review and update IPC's KPI's.

RMS informed the Committee that IPC was on track to receive similar YTD case volumes as last year, however noted there was an increase in privacy complaints compared to previous years with no discernible cause. Case closure rates are above 100 per cent. Members discussed the target numbers and were informed that the targets are set from the BP3. An update to these numbers should happen in 12 months and in light of the IPC's work on KPIs.

PC suggested further finance information would be useful with a more balanced scorecard approach. Members requested receiving a quarterly operating statement from DoJ to maintain oversight over the balance sheet, as opposed to only seeing early close. PC suggested he may be able to provide a template of a report for information that would be useful for the Committee's oversight.

SD informed members that IPC is tracking slightly over budget, mainly due to the Cash Management Reforms and the SLA pre-payment. ET stated the IPC appears to be carrying a monthly liability due to the pre-payment of the SLA and SD will liaise with Treasury in this regard. Regarding staffing numbers, IPC is slightly under budget as there are a couple of vacancies however recruitment is underway.

SD also discussed the minor capital program and informed members that the minor capital budget has been allocated to projects including; enhancements to the GIPA Tool, Resolve Case Management System, E-Learning and Charter of Public Participation.

Regarding the GSE Act implementation, the IPC is currently working on a rewards and recognition policy. SD also informed members of changes within Treasury, whereby analysts will be responsible for preparing a monthly dashboard, including assessing agency performance. AR will send to members and external audit and internal audit for their information. A question was raised regarding Performance Agreements for staff and SD informed members on the process of the business plan cascading to performance agreements. However in the current environment the business plan had not been finalised but the CEO has progressed some activities including preparations for activity based costing and privacy specific activities to be undertaken by the Privacy Commissioner.

Members discussed the Public Service Commission's People Matter Survey and when the next survey will be undertaken.

The Committee **noted** the Director Business Improvement's report.

*Action item 2: AR to distribute information regarding Treasury Monthly Review changes/dashboard to members, the Audit Office and O'Connor Marsden.*

*Action item 3: AR to distribute the previous IPC People Matter results to members.*

*Action item 4: IPC to implement providing a quarterly operating statement from DoJ to ARC members to assist oversight over financial information.*

#### **5. IPC review - update**

LB thanked IPC for providing copies of the PSC's guideline on reviews under s83.

The Committee discussed the table of recommendations from the IAB Review and endorsed recommendation 1, to update the ARC Charter as proposed. Members commended the CEO and team on the effort to implement the recommendations as best able in the current environment.

SD commented on the recommendations on processes, systems, delegations in place for the Access stream and noted staff do an excellent job dealing with two sets of processes. A suggestion was made to include a column for timeframe, stipulating completion by date/stream of work.

MC provided comment on his disappointment with the mitigation of the current workplace issues.

*Action item 5: ARC Charter be updated as proposed.*

## **6. Agency planning and reporting**

### Annual Report 2014-15

LB commented on the commendable achievement of staff during the period notwithstanding the operating environment.

Members discussed the differing timeframes between the GIPA and Privacy streams.

Members also discussed the Channel Strategy Review and SD confirmed staff are progressing all recommendations that can be done internally. SD will distribute the report to members for their information.

Members discussed the IPAC and whether they should receive copies of the minutes from IPAC meetings. ET stated she will provide the IPAC Direction's Report for members' information on the strategic direction of the IPAC.

*Action item 6: Circulate the Channel Strategy Review report to members.*

*Action item 7: Circulate IPAC Directions Report to members.*

### Draft business plan 2015-16

SD informed members of the draft business plan and that the new format has two streams, being new initiatives and business as usual. Members were informed that the Privacy Commissioner has advised Practitioners of the need to have a separate Privacy business plan.

LB shared her view and that of MC that that the CEO has the mandate to approve the business plan as a single IPC Business Plan.

SD and RMS discussed with members the ranking and prioritisation process that was followed to prioritise project work that was agreed by the Directors, the Privacy Commissioner and the Information Commissioner/CEO.

PC suggested the ARC's role is in review and governance, and management decisions are a matter for the IPC Executive.

The Committee **noted** the current situation with the draft business plan and LB advised that members would discuss and advise out of session once the PSC meeting with staff had taken place.

## **7. Risk Management 2015-16**

### Risk Register

Members discussed the updated 2015/16 register including the addition of risk category and emerging risks. Members discussed Strategic and Operational risks, specifically noting the emerging risks and WHS issues and the mitigation strategies currently in place.

The Committee discussed a range of strategies that have been implemented to address the increased risks and **noted** they were pleased with the inclusion of emerging risks in the register.

Members also discussed operational risk O10, regarding the likelihood and ways to reduce, however RMS informed members this was out of IPC's control due to the shared service arrangements, and that the residual risk was within IPC's risk toleration.

The Committee **noted** the register and the outstanding risks in light of the Efficiency Review.

## 8. Internal Audit

### Progress on implementation of internal audits

The Committee discussed the progress on the implementation of the Case Management System (CMS), the Performance Management and Business Management Framework audit, the Website Post Implementation Phase 2, and the IPC Scholarship audits.

Members requested that any changes to dates within the audit reports are in track changes and approved by the CEO, with endorsement from the Committee.

The Committee **noted** the actions accepted and underway for the internal audits.

### Internal Audit Plan – 2015-18

The Committee discussed the Internal Audit Plan for 2015-18. A question was raised whether the program was achievable for 2015-16, and members stated it would be helpful to have indicative dates on the proposed plan. PRG informed members she would be happy to circulate the ToR in advance of each audit.

The Committee **endorsed** and the CEO approved the proposed internal audit plan for 2015-18.

### OCM engagement letter

A question was raised around the procurement and rates for the OCM engagement. PRG confirmed OCM are on the prequalification list for NSW Government.

Members **noted** the engagement letter.

## 9. External Audit

The Committee discussed the findings and recommendations in the management letter. SA informed the Committee the Audit Office will follow up next year on signed copies of the SLAs.

LT stated she would follow up DoJ regarding access to the ARMS system.

*Action item 8: Follow up with DoJ seeking access to the ARMS system.*

## 10. ARC Self-Assessment

Members completed the self-assessment questionnaire and results have been collated and provided to Committee members.

Members deferred the discussion to take place out of session at a time to be arranged.

*Action item 9: AR to assist scheduling a time for discussion between members in January.*

## 11. Legislative Compliance Register

Members were informed there is an active project underway to review and refresh the register taking into consideration previous comments from Committee members.

The Committee **noted** the Legislative Compliance Register.

## 12. Review of ARC calendar items – Quarter 2

The Committee **noted** the review of calendar items for Quarter 2 noting all items due for review are acquitted.

Members discussed including the annual in-camera discussion with Internal and External Audit on the annual ARC calendar.

*Action item 10: Annual in-camera session with Internal and External Audit to be included in the annual ARC Calendar.*

**Other business**

Members discussed the proposed schedule of meetings for 2016, including an additional meeting to be held on the papers for early close, to be scheduled in April.

Members agreed further discussion to settle dates would occur out of session.

PC asked management if there were any other known issues around corruption within the IPC. LT confirmed there were no other known matters.

Meeting closed at 4.45pm.