



Audit and Risk Committee Meeting Minutes

IPC ARC Meeting No. 30

Wednesday 22 March 2017, 2.30pm to 4.30pm

1. Attendance

<u>Members:</u>	Ms Lyn Baker (Chair), (LB), Mr Paul Crombie (PC), Mr Malcolm Clinch (MC)
<u>In attendance:</u>	Ms Elizabeth Tydd (ET), Ms Samara Dobbins (SD), Ms Roxane Marcelle-Shaw (RMS) (Chief Audit Executive), Mr Robert Hayek (Audit Office)
<u>Apologies:</u>	Ms Pamela Robertson-Gregg (O'Connor Marsden), Mr Ashley Hawkins (Department of Justice), Ms Anwen Rowe (AR)
<u>Minutes:</u>	Ms Samara Dobbins (SD),

2. Declarations of interest

No additional declarations of interest were made. The Chair noted that she has been appointed as Chair of the Roads and Maritime Services Audit and Risk Committee.

The meeting **noted** this advice.

3. Minutes of previous meeting and Rolling Action Report

Minutes of meeting 29, 7 December 2016 were **approved** and **adopted** by the Committee.

Members **acknowledged** that in accordance with usual practice these minutes would be proactively released on the Information and Privacy Commission's (IPC) website, other minutes (or extracts of minutes) that have not yet been published will be considered for publication by the CEO in 2017.

The Committee **noted** the Rolling Action Report, including items 26.1, 27.1, 27.2, 29.1 and 29.8 which are postponed until June 2017. Members **noted** all other matters were either complete or on the agenda.

Action item 1: Publish minutes of 7 December 2016 on the IPC website and CEO to consider publication of minutes not yet released for publication.

4a. Update from the Chair

The Chair informed members of recent changes to the Government Financial Management approach in Victoria. Commencing on 1 July 2016 the requirements have been streamlined, clarified and tailored to a range of different agencies and are intended to drive a significant modernisation of the State's financial management regime and operations.

4b. Update from CEO/Information Commissioner

The CEO informed members of the production of the *Report on the operation of the Government Information (Public Access) Act 2009: 2015 – 2016* and the contribution of both the GIPA Tool and the Tableau data visualisation tool to the timely and effective development of the Report.

The CEO advised members that the IPC will be hosting a summit on public participation and collaboration in May 2017 and that members will be invited to attend.

The CEO updated the Committee on general progress of the IPC major investigation and advised that it will have a budgetary impact. The Crown Solicitor's Office has provided a new estimate of costs that may not be able to be accommodated within the budget envelope and the forward impact will be discussed with the Attorney General's Office.

The CEO updated members on the extension of the temporary relocation and staffing arrangements for the Acting Privacy Commissioner. The Committee noted the advice and expressed concern about their ability to discharge their responsibilities under the Audit Committee Charter and adequately oversight the privacy function together with identified risks particularly as they relate to statutory responsibilities including the Public Finance and Audit Act and the role of the Department of Justice in overseeing these risks. The CEO noted that the issues of risk and oversight were highlighted in the 2017 response to the Secretary's Questionnaire (in the same terms as the previous year).

The Committee endorsed the Chair sending a letter to the Chair of the Department of Justice Audit and Risk Committee outlining concerns and seeking to meet with the Chair given the requirement to ensure oversight of identified risks.

The Committee **noted** the CEO/Information Commissioner's report.

Action item 2: Chair to send a letter to the Chair of the Department of Justice Audit and Risk Committee seeking a meeting to discuss oversight of the privacy function.

4c. Update from Director Business Improvement

SD provided an update on the monthly dashboard report.

RMS provided an update on information access casework noting that improvements had been made in both timeliness and quality. She informed the Committee of the positive feedback received from the pilot of the new short form report on external reviews. The Committee expressed an interest in seeing a copy of the template.

SD provided an update on the ongoing issues with financial reporting and financial pressures in the IPC together with confirmation that continuation of the current leasing arrangements had been approved.

RH advised that the Audit Office would be undertaking an audit of the privacy function in order to understand their internal controls again this year.

The Committee requested that advice be provided to the Committee out of session when the issues regarding the IPC's Parameter and Technical Adjustments (PTA) bids had been resolved.

The Committee **noted** the Director Business Improvement's report, **noting** the inadequate financial reporting situation and significantly increased financial risks for the IPC and the planned approach in relation to development of an IPC Fraud Control Framework.

Action item 3: IPC to circulate a copy of the short form report template.

Action item 4: IPC to provide advice out of session when PTA bids have been resolved.

1. Agency Planning and Reporting

The Committee discussed the tabled report and **noted** the draft IPC Strategic Plan 2016-19. The Committee **noted** the CEO's intention to publish the Plan on the IPC website.

The Committee **noted** the report on Agency Planning and Reporting.

6. Risk Management 2016-17

Risk Register

RMS advised that the key risk continued to be the temporary relocation of the Acting Privacy Commissioner and the lack of visibility over that function. RMS identified that for the most part mitigation strategies implemented by the IPC have lowered the residual risks.

The Committee **noted** that risks in relation to retaining staff, funding, utilising regulatory intelligence, and insight on the operation of the information access regime and agency performance remain high. RMS advised the Committee that initiatives planned for quarter 4 should reduce the latter two risks.

The CEO advised that briefings had been sent to the new Attorney General's Office on a number of key projects.

The Committee discussed and **noted** the revised register including the outstanding risks in light of the current operating environment.

7. Internal Audit

The Committee **noted** the non-attendance by a representative from O'Connor Marsden (OCM) and asked the Chief Audit Executive (CAE) to raise attendance with OCM at the next review.

Progress on implementation of internal audits

The Committee discussed the progress on the implementation of internal audits, requesting that recommendation 3.3 from the 'Delegations and P-Cards' Audit remain open and that the IPC keep a watching brief.

The Committee **noted** and **accepted** the scope for the 'EDRMS Post Implementation Review' audit.

RMS advised that the scope for the remaining audit 'Legislative feedback' would be circulated out of session.

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

The Committee requested that the next meeting confirm the 17/18 Internal Audit Plan and that the CAE request and consider the Department of Justice audit schedule for possible alignment.

External assessment of the internal audit function

RMS updated the Committee on the outcome and recommendations of the external assessment of the internal audit function (required under TPP 15-03) and acknowledged the assistance of the Department of Justice accredited auditor.

Action item 5: CAE to raise attendance with OCM at the next review.

Action item 6: IPC to circulate scope for 'Legislative Feedback' audit out of session.

Action item 7: CAE to confirm the 17/18 Internal Audit Plan at the next Committee meeting and request and consider the Department of Justice audit schedule for possible alignment.

8. External Audit

RH spoke to the Client Service Plan for the IPC for the year ending 30 June 2017 and highlighted a few key issues:

1. The intention to continue to audit the IPC as a single reporting entity notwithstanding the temporary relocation of the privacy function;
2. The impact of the implementation of SAP by the Department of Justice; and
3. The accounting treatment for the new lease agreement.

The Committee **noted** that the current arrangement means that they do have less visibility over Commission wide risks and issues and **noted** the update on External Audit.

The Committee also discussed TC16-12 requirements regarding related parties disclosures and requested an update at the next Committee meeting.

The Committee agreed to consider the early close financial statements out of session and to move the September Audit Committee meeting to Friday 15 September in the afternoon to consider the draft financial statements.

Action item 8: IPC to provide an update at the next meeting on Justice Cluster response to TC16-12 – related party disclosures.

Action item 9: IPC to schedule September Meeting for 15 September 2017 in the afternoon.

9. ARC self-assessment

The Committee reported back on their pre-meeting self-assessment and acknowledged that there was general agreement amongst members. The requested identification of training and education opportunities to learn more about the work of the IPC.

The Committee requested the CAE undertake a performance assessment of the Internal Auditor, OCM, and would like to meet with the CAE in an in camera session in this regard.

Action item 10: SD to consider training and education opportunities for Committee members.

Action item 11: RMS to set up an in-camera session with the Committee before or after a Committee meeting in 2017.

10. Legislative Compliance Register

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

11. Review of ARC calendar items – Quarter 3

Members discussed the calendar of items for review in Quarter 3, 2016/17.

The Committee **noted** the review of calendar items for Quarter 3 **noting** all items due for review are acquitted.

Other business

The Committee requested that the IPC undertake a reconciliation of members' conflict of interest declarations. The CEO offered to develop a statement for inclusion as a standing agenda item in all Committee meetings regarding managing potential and actual conflicts of interest arising from IPC regulatory functions, including that individual agency matter are not discussed by the Committee.

Action item 12: AR to undertake a reconciliation of members' conflict of interest declarations.

Action item 13: CEO to develop a statement for including as a standing agenda item in all Committee meetings regarding managing potential and actual conflicts of interest arising from IPC regulatory functions.

Meeting closed at 4.45pm.