



Audit and Risk Committee Meeting Minutes

IPC ARC Meeting No. 18

Wednesday 3 December 2014, 2.30pm

1. Attendance

<u>Members:</u>	Ms Carolyn Walsh (Chair) (CW), Ms Lyn Baker (LB), Mr Paul Crombie (PC)
<u>In attendance:</u>	Ms Elizabeth Tydd (ET), Ms Sonia Minutillo (SM) (A/Chief Audit Executive), Ms Vandana Nand (VN), Ms Anwen Rowe (AR), Mr Clive Gough (O'Connor Marsden), Ms Somaiya Ahmed (Audit Office), Ms Pamela Robertson-Gregg (O'Connor Marsden)
<u>Apologies:</u>	Ms Pamela Robertson-Gregg (O'Connor Marsden)
<u>Minute Secretary:</u>	Ms Anwen Rowe (AR)

2. Declarations of interest

CW stated she has been appointed to the City of Sydney Audit and Risk Committee.
LB stated she has been appointed to the Police Integrity Commission Audit and Risk Committee.
PC stated he is on the following Audit and Risk Committee's – Department of Justice, Corrective Services, Trustee and Guardian and Community Relations Commission.

The meeting **noted** this advice.

3. Minutes of previous meeting and Rolling Action Report

Minutes of meeting 17 were **approved** and **adopted** by the Committee, and members **acknowledged** these minutes would be proactively released on the IPC's website.

Action item 1: Publish minutes of 24 September 2014 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 Information Commissioner

ET informed members of a proposed quarterly report to be submitted to the Attorney General. The report includes case management and enquiry numbers, business plan projects, operating budget and staff training. Members commented on the usefulness of the report and a request was made to receive the balance sheets. Due to the new GSE legislation, staff training will be reported separately in the new quarterly reports.

ET informed members of the revised Legislative Compliance register and that this document has been shared amongst similar agencies, including Legal Aid.

ET updated members on the implementation of the GSE Act, including the recent recruitment of two Director Positions. The Director Investigation and Reporting will commence 12 January 2015 and the Director Business Improvement will commence on 5 January 2015. ET acknowledged the exceptional performance of the Acting Director Investigation and Reporting, Ms Sonia Minutillo in undertaking the Acting responsibilities.

ET informed members of the Christmas close down arrangements, specifically the mandatory shut down from 22 December to 5 January, including her own period of leave from 17 December to 12 January however would remain contactable throughout this period. Sonia Minutillo will also be available through this period. ET also mentioned the A/EO's scheduled leave over January, and that arrangements are in place with the Department of Justice to cover the financial responsibilities.

ET informed members of progress with the 2013-2014 s37 report, noting it would be finalised in December, tabled and released in January 2015. ET discussed compliance under s7 of the Act and

stated further education would be necessary to increase compliance in this area and guidance would be issued on proactive release.

ET also discussed reporting to the Joint Parliamentary Committee on the Ombudsman, Police Integrity Commission and Crime Commission and suggested further discussion on ways to structure ongoing reporting.

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

4b. Update from the Chair

The Committee discussed progress with the Service Level Agreements (SLA's) and noted the SLA's for HR and Finance were in draft form. VN has worked closely with the Department of Justice (Dept) staff to incorporate functions performed by IPC into the SLA with the Dept.

Members discussed the SLA fees that are currently 5% of the overall budget. ET stated the fees will remain the same however services to IPC should increase.

CW requested the SLA be kept on the agenda for further meetings to ensure close monitoring of progress.

Action item 2: Update on the SLA to be included as an ongoing agenda item for future meetings.

5. Control Framework

The Committee discussed the Control Framework, specifically the performance review of IPC Internal Audit arrangements.

Members discussed updating the Compliance Checklist with detailed information on members' terms (including term expiry).

Members stated they were pleased with the progress going forward with internal audits.

CW and ET **agreed** to meet to review the Chief Audit Executive role and how this will work in the new year.

The Internal Auditor, CG, discussed the overall state of internal controls. There were no internal audits performed in 2013-14, however 1 specific review was undertaken regarding review and development of corporate policies. GC stated the Audit and Risk Committee functions well and is very supportive of the Internal Audit function.

ET informed members of CG's helpful recommendations over the e-learning project and had offered very practical outcomes.

ET informed members of the tabling of the IPC Annual Report for 2013-14 and highlighted the significant achievements particularly with respect to casework matters. ET also mentioned other significant achievements such as the submission of the Transborder Code, the s37 Report tabled in June 2014, delivering education across privacy and access to information, and the redevelopment of the IPC website.

SM informed members of work being undertaken on processes and improvements and the enhancements of the Resolve Case Management System.

Members **noted** the IPC Annual Report for 2013-14 and congratulated the IPC team on the report and the significant outcomes.

Action item 3: Schedule meeting for CW and ET regarding function of CAE role.

Action item 4: Update the Compliance Checklist with members' terms.

6. Internal Audit

The Committee discussed the Audit and Risk Committee Charter and the IPC Internal Audit Manual.

CW noted the comments from the previous meeting had been incorporated, acknowledged the charter and **confirmed** documents are ready for signature. CW requested track changes to be included for any further updates for reference.

Members **endorsed** the Audit and Risk Committee Charter and the IPC Internal Audit Manual.

The Committee discussed the Records Information Management (RIM) and Case Management System (CMS) Audits and **noted** progress with recommendations. CG suggested as items are completed, they are removed from the list and only outstanding items are reported to the Committee at subsequent meetings.

Members reviewed items and were satisfied with the Management response and **noted** the confirmation by the Internal Auditor, CG, of the satisfaction with attestations by management.

Members discussed the budget for the risks identified in the organisation. The Internal Auditor, CG, stated he was satisfied with the level of audit relevant to the size of the organisation.

Members discussed the Website Post Implementation Review phase 1 findings and recommendations. CG produced a short form review at the request of Management. A further formal report will be issued at the end of phase 2. ET informed members of risks identified in implementing the new Website around contractual arrangements. Members discussed sound contract management and investing in training in procurement and project management, to assist with identifying risks for each project.

CW informed members of her attendance and participation in the IPC Project Governance Working Group meeting and **noted** the substantial and detailed work that had been completed to date.

Members **noted** progress of the Website Post Implementation Review and Findings and Recommendations.

Members **endorsed** the Terms of Reference (TOR) for the next identified Audit, Business and Performance Management Frameworks Implementation. Members **noted** the paper from the previous meeting and how it supports the TOR.

Action item 5: ARC Charter and Internal Audit Manual to be signed by CEO and Chair of ARC.

Action item 6: Remove completed recommendations from the RIM and CMS audits for forward meetings.

7. External Audit

The Committee discussed the Audit Office Management letter for 2013-14.

SA stated it was pleasing to see the SLA making progress as this was a repeat issue listed in the management letter.

Members discussed the item on depreciation of assets and **noted** the actions being undertaken to replace the depreciated items.

SA mentioned a planning meeting with the CEO is to be organised for early 2015.

Action item 7: Audit planning meeting to be scheduled for early 2015.

8. ARC Self-Assessment

AR tabled the results of the annual self-assessment process undertaken by members. Members **agreed** to add an item in the annual calendar for the first quarter to assess the audit service provider. A discussion should be included at this item between the Chair ARC and CEO.

Members stated they are happy with the function of the Committee and CW encouraged members to speak if any problems arose.

CW **noted** the results of the annual self-assessment. CW will follow up with LB re formal review of performance.

Action item 8: Discussion between Chair and CEO is to be scheduled in the first quarter of forward years to review the audit service provider.

Action item 9: CW and LB to meet to discuss formal performance review.

9. Legislative Compliance Register

The Committee discussed the updated Legislative Compliance Register and acknowledged the significant amendment in light of the GSE Act undertaken by the Acting Director Investigations and Reporting Sonia Minutillo and Principal Review Officer Cathy McInnes.

There was discussion around the GSE rules including comparative assessment processes and temporary/higher duties arrangements and timelines for February 2015.

10. Review of ARC calendar items – quarter 2

The Committee discussed the review of calendar items, specifically items 10.1.2 regarding IPC's Fraud Control Plan and 10.4.2 on changes to the Resolve Case Management System and **noted** the actions addressed in the meeting. SM briefed members on actions taken to improve internal systems to enhance existing Privacy protections.

Members requested an item be included in the annual calendar for the review of the Internal Audit function and additionally to include an attestation in the September meeting. Members will need to review the attestation letter for endorsement and the compliance checklist should be updated to reflect this requirement.

A question was raised whether any cases of fraud had been raised since the last ARC meeting in September 2014. ET confirmed no activities had arisen. ET also acknowledged a potential issue of knowledge gained in the course of employment at IPC which could be used inappropriately post-employment. ET confirmed ICAC will be invited to present to staff in 2015 on fraud control purposes as a training activity.

Members also requested that Work, Health and Safety should be included in ongoing quarterly reports.

The Committee **noted** the review of calendar items.

Action item 10: ICAC to be invited to present to IPC staff on fraud and control.

Action item 11: Review of internal audit function to be included in the annual calendar for quarter 1 going forward.

Action item 12: Review of Attestation letter to be included in September meeting.

Action item 13: WHS to be included in ongoing quarterly reports

Other business

The Committee discussed meeting dates for 2015 and agreed revised meeting dates would be circulated and agreed out of session.

The meeting concluded at 4.45pm