

Minutes

Audit Risk and Improvement Committee

13 December 2024 commencing at 10.00am

Members (voting): Linda MacRae (Independent external member and Chairperson), Peter McLean (Independent external committee member).

Member (non-voting): Cr. Rowena Black (Councillor Representative).

Attendee (non-voting): Jo Shannon (Internal Audit Coordinator and Deputy General Manager).

Participants: Jason Gilbert (External Auditor - Crowe), Hugh Wilson (Audit Office of NSW), Carolyn Rosetta-Walsh (C&N Audit Services), Susan Appleyard (Director Planning, Place & Sustainability), Theo Panagopoulos (Director Engineering Services), Martine Hall (Governance Officer), Shane Norman (Manager Finance).

Apologies: Adrian Butler (General Manager) & Luke Bobilak (Manager People and Culture).

Purpose: As per Committee Terms of Reference 17/13884.

Note: The order of items is recorded in the order in which they are presented at the meeting.

ITEM 1. Governance 10.00 am

1.1 Apologies

Two apologies for the meeting as noted above.

RESOLVED:

1. THAT the apologies listed above be noted.

CARRIED

1.2 Conflicts of Interest

To receive disclosures of any conflicts of interest with items on the agenda from attendees.

RESOLVED:

1. THAT the Committee noted there were no conflicts of interest declared.

CARRIED

ITEM 2. Financial Management 10.01 am

2.1 Annual Financial Statements for the Year ended 30 June 2024

At the October 2024 meeting, Council adopted the 2023/24 financial statements in principle, subject to any required minor audit adjustments. Only minor disclosure changes were required prior to financial statements being finalised. An unmodified audit opinion was issued on 28 October 2024.

The unmodified audit opinion is notable given that a modified audit opinion was issued in 2022/23 due to the nondisclosure of RFS assets in Council's financial statements. The NSW Audit Office was satisfied that the non-disclosure in 2023/24 was immaterial and therefore did not require a modification to be made.

On completing the audit, the Auditor-General for New South Wales has issued the following reports:

- Independent Auditor's Report - Report on the general purpose financial statements
- Independent Auditor's Report - Report on the special purpose financial statements
- Independent Auditor's Report - Special Schedule - Permissible income for general rates
- Report on the Conduct of the Audit for the year ended 30 June 2024 - Federation Council

Representatives of Crowe, (NSW Audit Office's Contract External Auditor), attended the November 2024 Council Meeting to present the auditor's reports.

Discussion:

The Committee and External Auditors discussed the *Moderate Rated* items listed in Final Management Letter:

Prior year matters not resolved by management -

- *Rural fire-fighting assets not recognised in the financial statements* (repeat issue) – relates to unresolved issue of the ownership of RFS assets.
- *Landfill rehabilitation* (repeat issue) – whilst significant progress is being made, the Committee is concerned that this will not be completed by the 30 June 2025 deadline.
- *Comprehensive revaluation of fixed assets* (repeat issue) - the Council has scheduled a comprehensive revaluation of land improvements for the next financial year.
- *IT and cyber security policies and framework* (repeat issue) – Council has made progress; ARIC has requested reports on penetration testing and a register for cyber security incidents.

Current year matters -

- *Asset management* –asset management system is being implemented.
- *Grant revenue assessment* - finance team have started and continuously improving the register to meet the accounting standard.
- *Access to program and data* – report testing underway.
- *Corporate governance* – ARIC review of draft financial statements in September was discussed and the necessity to conduct this review by ARIC is to be monitored during the year.

Whilst the following items had a low risk assessment, the Committee recommended that they require prioritisation:

- *Long outstanding receivables* – Committee requested that the matter of outstanding receivables be given a high priority.
- *Developer contribution and corrupt conduct* – it was discussed that a gap analysis would be worthwhile.

The Committee and External Auditors discussed items listed in the Engagement Closing Report:

- *Preparedness for amendments to AASB 13 'Fair Value Measurement* – Recommended that Council should complete their impact assessment early in the 2024-25 reporting cycle.

The Committee discussed the auditor's recommendation on "*preparing accounting position papers documenting the possible impacts on the fair value measurements of relevant assets, quantifying the impact and highlighting any changes to significant management assumptions*" and expressed concern regarding the resources required to complete this and the cost associated with this exercise.

The Committee expressed its concern with the additional unbudgeted audit fees that have been requested, given that the fees had already significantly increased this year without adequate substantiation by the NSWAO. The Auditors were requested to provide specific details regarding the additional costs of the 2023/24 audit (including details of additional resources required) and to discuss these final costs with management.

Following documents were referenced:

[Attachment 4 Independent Auditor's Report - Report on the general purpose financial statements \(24/49390\)](#)

[Attachment 5 Independent Auditor's Report - Report on the special purpose financial statements \(24/49573\)](#)

[Attachment 6 Independent Auditor's Report - Special Schedule - Permissible income for general rates \(24/49574\)](#)

[Attachment 7 Report on the Conduct of the Audit for the year ended 30 June 2024 – Federation Council \(24/49389\)](#)

[Attachment 8 Final Management Letter 2024 \(24/49391\)](#)

[Attachment 9 Engagement Closing Report \(24/49386\)](#)

RESOLVED:

1. THAT the Committee noted the reports relating to the financial year ended 30 June 2024 as issued by the NSW Audit Office.
2. THAT the Committee be provided with the Penetration Testing and a Register for Cyber Security Incidents at the February 2025 ARIC Committee meeting – relates to item 6.1 Update on Council's ICT System (Action for DGM & MICS).
3. That the Auditors provide specific details to substantiate the additional costs of the 2023/24 audit (including details of additional resources required) and to discuss these final costs with management.

CARRIED

Jason Gilbert and Hugh Wilson left the meeting 10.38 am.

ITEM 3. Internal Audit 10.39 am

3.1 Internal Audit – Credit Cards

The internal audit on credit card transactions from 2021/22 and 2022/23 has been conducted and the internal auditors are currently reviewing the data from 2023/24. The review of the 2023/24 date will be finalised in the coming weeks.

RESOLVED:

1. THAT the Committee note the update.
2. THAT the Internal Audit – Credit Card Report be provided at the February 2025 ARIC meeting (Action for DGM).

CARRIED

3.2 Internal Audit – Payroll

A draft scope of work for the internal payroll audit was provided for the consideration of the Committee.

Discussion:

The Committee discussed the proposed Internal Audit Payroll Scope and noted that the scope was currently broad and the timeframe had not been specified. It was recommended that EFT banking procedures are added to the scope.

The Internal Auditor advised that the audit would be completed in the first quarter of the calendar year. The Committee has requested that the next internal audit scope be discussed at the first 2025 ARIC Committee meeting and agreed to the proposal to have one completed internal audit report each financial year.

The Committee discussed the Internal Auditor Contract and noted that Adams Kenneally White (AKW) are no longer providing audit services. The Deputy General Manager has received written notification that AKW clients have been transferred to C&N Audit Services. It was advised that Federation Council will enter into a new contract with C&N Audit Services to complete outstanding audits. On completion of the audits, Council will go back to market as per the Council’s Procurement Policy and Procedure.

Following document was referenced:

[Attachment 25 Draft Terms of Reference – Payroll](#)

RESOLVED:

1. THAT the Committee endorsed the audit scope for the internal audit on payroll with the inclusion of EFT banking procedures.
2. THAT the Committee discuss the next internal audit scope at the February 2025 ARIC meeting (Action for DGM).
3. THAT the Payroll Audit Report be provided to the Committee at the May ARIC meeting (Action for DGM).

CARRIED

Carolyn Rosetta-Walsh left the meeting 10.50 am.

1.3 Endorse Minutes of Previous Meeting 10.53 am

The status of previous minutes from ARIC Committee meetings is as outlined in the table below:

Date of meeting	Draft minutes circulated to Chair and Committee	Draft minutes presented to Council	Minutes endorsed by ARIC	Minutes uploaded to Council’s website

18 October 2024	29 October 2024	26 November 2024		
4 September 2024	13 September 2024	22 October 2024	18 October 2024	28 November 2024

Date of meeting	Draft minutes circulated to Chair and Committee	Minutes endorsed by ARIC	Final minutes presented to Council	Minutes uploaded to Council's website
14 June 2024	9 July 2024	4 September 2024	22 October 2024	12 November 2024

Discussion:

The Minutes of the meeting held on 18 October 2024 were endorsed by the Committee as being a true and accurate copy.

In accordance with the Risk Management And Internal Audit for local government in NSW Guidelines after the minutes are confirmed as an accurate record of the meeting, they will be signed by the Chair.

Following document was referenced:

[Attachment 1 Draft Minutes Audit and Risk Improvement Committee \(ARIC\) Meeting 18 October 2024 \(24/44139\)](#)

RESOLVED:

1. THAT the Committee endorsed the Minutes of the Audit Risk and Improvement Committee meeting held on 18 October 2024 as a true and accurate copy.
2. THAT the Chair sign the Minutes of the Audit Risk and Improvement Committee meeting held on 18 October 2024 to confirm they have been endorsed by the Committee as being true and accurate (Action for GO).
3. THAT the Minutes of the Audit Risk and Improvement Committee meeting held on 18 October 2024 be published on Council's website, as per Council Resolution number 313/2024FC (Action for GO).
4. THAT the Minutes of the Audit Risk and Improvement Committee meeting held on 13 December 2024 be reviewed and approved by the Chair and submitted to the 21 January 2025 Council meeting, for noting (Action for GO).

CARRIED

1.4 Independent Member Recruitment

At the Council Meeting on 26 November 2024, Council appointed Mr Jason Young and Mr Shannon Buckley as the two new independent members of Federation Council's Audit, Risk and Improvement Committee for a four-year term.

Both Jason and Shannon have accepted the appointment and will join the committee in the new year.

Discussion:

The Committee discussed the required information to be included in the induction pack for the new independent members.

RESOLVED:

1. THAT the Committee noted the appointment of the two new members.
2. THAT an induction pack be prepared and distributed to the two new members (Action for GO & DGM).

CARRIED

1.5 Forward Agenda

The Guidelines for Risk Management and Internal Audit for Local Government in NSW recommends that the committee prepare a 12-month forward agenda. This ensures that the committee covers all its responsibilities at the appropriate time of the year. Previously the Committee called this document the Annual Work Plan.

Discussion:

Forward Agenda

The Committee requested that Financial Management - Item 4: *Review significant accounting legislative changes; regulatory and or professional pronouncements and any relevant policies to ensure the Council's Financial Reports (Annual and Management) reflect any such changes* be moved to the first Committee meeting of the year, instead of the second meeting.

Meeting Dates

The following meeting dates were discussed:

- Friday 28 February 2025.
- Friday 16 May 2025 – one required attendee not available on 16 May 2025; alternative dates are 23 or 30 May 2025.
- Friday 15 August 2025 - one required attendee not available on 15 August 2025, one required attendee not available on 22 August 2025. Suggested alternative date is 29 August 2025.
- Friday 17 October 2025.
- Friday 12 December 2025.

Availability for the above meetings dates is still to be confirmed by one member of the Committee.

The Committee discussed scheduling the Committee meetings on an alternative day during the week.

Following document was referenced:

[Attachment 2 Audit Risk and Improvement Committee \(ARIC\) Draft Forward Agenda \(24/49563\)](#)

RESOLVED:

1. THAT the Committee noted the Forward Agenda and requested Financial Management Item 4 timing to be amended from second meeting to first meeting of 2025 (Action GO).
2. THAT the committee noted the proposed meeting dates for 2025 and agreed they are to be finalised following further management discussions (Action GO & DGM).
3. THAT the Committee noted the policy review schedule for 2025.

CARRIED

ITEM 2. Financial Management

2.2 Monthly Financial Performance Report 11.02 am

A monthly Financial Performance Report for 30 November 2024 was provided to the Committee for information and noting.

Discussion:

The Committee discussed and commended the quality and detail of the financial reports provided.

The Committee discussed its concerns with the 'year to date' (YTD) aquatic centre costs, however it was agreed to monitor the effects of the new tiered supervision model to determine the impacts on the operational costs in the months ahead.

The Committee also noted the expenditure on the flood budget and will again be reviewed at the next Committee meeting in February 2025.

Following documents were referenced:

[Attachment 10a Financial Performance Report at 30 November 2024](#)

[Attachment 10b Forecast unrestricted cash - 30 June 2025](#)

[Attachment 10c Updated Cash as at 30 June 2025](#)

RESOLVED:

1. THAT the Committee noted the Financial Performance Report at 30 November 2024, Forecast unrestricted cash - 30 June 2025 and Updated Cash as at 30 June 2025.

CARRIED

2.3 Quarterly Budget Review Statement

A Quarterly Budget Review Statement First Quarter 2024/25 was provided to the Committee for consideration.

Discussion:

The Committee discussed the Income & Expenses - Council Consolidated and the Grants & Contributions – Capital. Noted that the revenue is recognised in 2023/24 and expenditure 2024/25.

Following document was referenced:

[Attachment 11 Quarterly Budget Review to 30th September 2024](#)

RESOLVED:

1. THAT the Committee noted the Quarterly Budget Review Statement First Quarter 2024/25.
2. THAT the Committee requested the Quarterly Budget Review Statement for December at the February 2025 ARIC meeting (Action MF).

CARRIED

2.4 Annual Budget Payment of Loan Redemption (Principal Payments)

This item was raised by the Chair during the budget meetings as they were seeking clarification on Council's annual process.

The Deputy General Manager advised that the development of the annual budget and update to the LTFP includes the following steps:

- Determine operating income and expenditure associated with delivering services at currently agreed service levels
- Determine loan interest and principal repayments required under existing loan agreements
- Update cashflow for current cash levels and above cashflow impacts
- Determine funds available to invest in asset renewal whilst maintaining appropriate levels of unrestricted cash.

Subsequent to the discussion, the Chair was reassured that the Council's processes for assessing loan redemption affordability and facilitating borrowing decisions were robust and were budgeted in accordance with cash budget practices.

RESOLVED:

1. THAT the Committee noted the update.

CARRIED

2.5 Special Rate Variation 2025/26

In the Delivery Program and Long-Term Financial Plan (LTFP) adopted in June 2024, a significant increase to general rates was planned. This continues on the financial planning and engagement work that has been undertaken over the past three years. These plans included a permanent increase to general rates of 80% over two years commencing July 2025. This 80% increase essentially includes the temporary 19% and 17% increases levied in 2023/24 and 2024/25.

Following further analysis and community engagement undertaken by the University of Newcastle in July 2024, Council adopted the following five reports in August 2024:

- Financial Sustainability Report – an update to the November 2023 report on The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey.
- Capacity to Pay Report - provides a comprehensive analysis of the factors relevant for considering property owners and their capacity to pay increased local government rates
- Efficiency Report – provides a comprehensive review of the relative technical efficiency of Council.
- Debt Capacity Report – provides a comprehensive analysis of Council's debt capacity.
- Community Engagement Report – provides detail on community engagement undertaken and feedback received through this process.

A further report was requested for the November 2024 meeting.

The report to the November 2024 Council meeting provided the following further information on the two options debated at the October 2024 Council meeting:

- A risk assessment of the two SRV options against the baseline (no SRV) scenario
- Updating summary financial modelling

- Modelling of average residential rates under the three scenarios
- Revised timelines for progressing the SRV application to IPART.

Council passed a resolution to proceed with work required for an application for a permanent increase to general rates of 69.94% over two years commencing 1 July 2025.

As a consequence of this, the Delivery Program and LTFP were updated to reduce the planned general rate increase from 80% to 69.94%. In addition, revised asset renewal projections from the updated Strategic Asset Management Plan were included in the revised LTFP.

The revised Delivery Program and LTFP are now out for re-exhibition. The revised LTFP is attached for ARIC consideration and noting.

Discussion:

The Committee discussed the challenges over the next decade and the importance of progressing and delivering the improvements to assets over the coming three to four years. The Committee noted the comprehensiveness of the risk assessment of the SRV options and the importance of recognising that the SRV is not the sole solution to Council's financial sustainability challenges.

The Committee noted that the SRV application is due for submission by 3 February 2025 and supports Council's submission.

The Committee appreciates and acknowledges the significant work required for the preparation of the SRV application.

Following documents were referenced:

[Attachment 13 Risk assessment of rating options \(24/47517\)](#)

[Attachment 14 Financial measures - SRV scenarios \(24/47523\)](#)

[Attachment 15 Long Term Financial Plan 2024 - 2034 v4.0 no tracked changes](#)

RESOLVED:

THAT the Committee

1. noted the update on plans for an application for a permanent SRV.
2. noted the risk assessment of the two SRV options against the baseline (no SRV) scenario.
3. noted the updated summary financial modelling.
4. noted the revised Long Term Financial Plan
5. confirmed its support for Council's Special Rate Variation application to IPART.

CARRIED

ITEM 3. Internal Audit 11.26 am

3.3 Internal Audit Reports - Actions Update

The system for recording actions from internal audit reports requires review to enable streamlined reporting. This will be undertaken early in 2025.

RESOLVED:

1. THAT the Committee noted the update.

CARRIED

ITEM 4. Risk Management & Compliance 11.30 am

4.1 WHS Incident Reporting – Volunteer Incident Update

Volunteer Incident Update

An update was provided to the Committee.

WHS Incident Report

WHS incidents reports for the period September – November 2024 are attached for the information of the Committee.

Discussion:

Committee noted that the colours in the reports/graphs are not consistent. For example, the WHS Monthly Reporting - October 2024 – Number of Events by Category – Near Miss is colour coded as grey whereas on the following page - Number of Events by Organisational Area and Type – Near Miss is colour coded as orange.

The Committee discussed - November 2024 – Number of Events by Type, Monthly – 58 Incidents, 8 Near Miss and 20 Injury and queried if there is under reporting of near misses. The Director Engineering Services reported that at the recent Annual Safety Day it was reinforced the importance of reporting a near miss to avoid actual injuries/accidents.

Following document was referenced:

[Attachment 17 WHS Monthly Reporting - September 2024 \(24/39836\)](#)

[Attachment 18 WHS Monthly Reporting - October 2024 \(24/44592\)](#)

[Attachment 19 WHS Monthly Reporting - November 2024 \(24/48438\)](#)

RESOLVED:

1. THAT the Committee noted the update on the Volunteer Incident.
2. THAT the Committee noted the WHS incident reports for the period September – November 2024.
3. THAT the colour coding of the WHS incident reports be reviewed for consistency in colour and category (Action MPC).

CARRIED

4.2 Strategic Risk Register

A verbal update was provided on the Strategic Risk Register.

Discussion:

A new project plan for the first half of the 2025 is to be developed which will assist in the development of the Strategic Risk Register and guide discussions with the new Council to understand their risk appetite.

The Strategic Risk Register will also influence the next Internal Audit plan.

RESOLVED:

1. THAT the Committee noted the verbal update.

CARRIED

4.3 Legal Updates

An update was provided to the Committee on two legal cases.

The Committee was advised the following update on the *Class 1 Proceeding in the NSW LEC case Number2024/2600539*. The Applicant in these proceedings (Tango Projects Pty Limited) have filed a Notice of Discontinuance and withdrawn their appeal. Accordingly, the Court has accepted the discontinuance and cancelled the s.34 conciliation conference scheduled for 19 December 2024.

Following documents were referenced:

[Attachment 20 Tango Projects Pty Ltd - Application Class 1 \(24/31974\)](#)

[Attachment 21 Notice of Determination - Refusal - CROWN WATERWAY MURRAY RIVER OPPOSITE LOT 35 DP 752 -PAN-344652 \(24/32707\)](#)

RESOLVED:

1. THAT the Committee noted the updates.

CARRIED

4.4 Update on Non-Compliance Issues

A verbal update, there being no non-compliance events to report, was provided to the Committee.

RESOLVED:

1. THAT the Committee noted the verbal update.

CARRIED

ITEM 5. Fraud Control

5.1 Fraud Control

Work has progressed on preparing a Fraud Control Plan. The first stage has involved the development of a Fraud Risk Assessment. This risk assessment is currently being reviewed by key members of the finance team. On completion of this review the Fraud Risk Assessment will be provided to the Leadership Group for feedback.

Discussion:

The Committee discussed the following examples of fraud:

- *Management fraud – manipulation of figures in management and financial reports* – suggested reviewing the risk rate matrix and how it is applied to the assessment.
- *Unauthorised use of cars/petrol cards/petrol* – suggested adding training and role modelling to the existing controls for this item and similarly to other items.

Following document was referenced:

[Attachment 22 Fraud Risk Assessment](#)

RESOLVED:

1. THAT the Committee noted the fraud risk assessment and requested an update for the next Committee meeting (Action DGM).

CARRIED

ITEM 6. Information Technology 11.47 am

6.1 Update on Council's ICT Systems

Item to be deferred to first ARIC meeting in 2025 as Manager Information & Customer Service is on leave.

Discussion:

The Committee requested that the Manager Information & Customer Service attend the February 2025 ARIC meeting to discuss the Cyber Security Reports and monitoring of the Essential Eight mitigation strategy.

RESOLVED:

1. THAT the Manager Information & Customer Service be requested to attend the February 2025 ARIC meeting (Action MICS).

ITEM 7. General Business 11.47 am

7.1 Section 355 Committees

Recruitment of Volunteer Coordinator (update)

Progress has been made in creating a volunteer register, liaising with stakeholders on the implementation of processes and identifying volunteer training needs. A business paper has been lodged to secure an additional Risk & Safety Officer for volunteer induction and training.

RESOLVED:

1. THAT the Committee noted the update.

CARRIED

7.2 Service Reviews

As previously reported, there are a number of services reviews underway. The following table provides a summary of the status of each of the current service reviews.

Service area	Note	Status update (August 2024)	Status update (December 2024)
Corowa Aerodrome		Commenced March 2024. Community input period closed 12 June 2024. Draft report being developed for Council consideration and further community engagement.	Draft report received. Scheduled for Council consideration in early 2025.
Community Engagement	This service review will be undertaken as part of the development of the new comprehensive Community Engagement Strategy.	Community input period closed 19 June 2024. Draft report / strategy being developed for Council consideration and further community engagement.	Draft report scheduled for Council consideration in early 2025.
Water Services	This service review will be undertaken as part of the Public Works engagement to advance future water service planning.	Work is continuing. A request to the funding body for an extension of time to complete this work has been submitted.	Work is continuing.
Sewerage Services	This service review will be undertaken as part of the Public Works engagement to advance future sewer service planning.	Work is continuing. A request to the funding body for an extension of time to complete this work has been submitted.	Work is continuing.
Planning and Development		EOIs sought from relevant consultants.	Contract for service review awarded to SMEC in October 2024. Engagement occurring with key stakeholders in December 2024.

RESOLVED:

1. THAT the Committee noted the update.

CARRIED

7.3 Review of Council Policies

Council's Risk Management Policy has been reviewed presented to the Committee for feedback.

The revised policy includes reference to the new legislated changes that came into effect in July 2024. In addition, there is greater detail on the responsibilities of various roles in the organisation.

Discussion:

The Committee discussed the importance of the Council's risk appetite and referenced page 5 of the policy and the statement - *Federation Council has no risk appetite for any risk that may constitute a threat to the health, safety and welfare of councillors, staff, contractors, volunteers and all other persons*. The Committee suggested that this wording be changed as it is too broad in nature and does not reflect reality of Council operations. It was recommended that the Council review the statement and amend to reflect the actual situation.

Following document was referenced:

[Attachment 23 Risk Management Policy V3.1 \(17 28030\) for ARIC](#)

RESOLVED:

1. THAT the Committee noted the revised Risk Management Policy and recommended a review of the final sentence (as noted in the discussion) on Page 5 of the policy.

CARRIED

7.4 Asbestos

In June, ARIC received an update on progress implementing improvements to the three priority areas from the 2023 Statewide Mutual Continuous Improvement Pathway (CIP) Self-Assessment – Benchmarking Report. The three priority areas were:

- Psychosocial risk
- Asbestos
- Volunteer management

The update included advice that there had been asbestos re-inspections of all Council buildings and facilities. The Committee requested further detail on the coverage of the asbestos inspections and the outcomes.

The Committee was provided an updated report on the asbestos inspection project. Manex has requested a management response and recommended action plan from relevant Council officers.

Discussion:

The Committee discussed the High-Risk Findings and requested a timeframe for the action plan to address the high-risk spaces.

Following document was referenced:

[Attachment 24 Buildings and facilities inspections 2024](#)

RESOLVED:

1. THAT the Committee noted the report on the asbestos inspections and requested a time frame for the action plan at the February 2025 ARIC meeting (Action DPPS & DES).

CARRIED

7.5 Terminology in WHS Incident Report

In September, ARIC was presented with the WHS Incident Report (31 August 2024), the committee requested further information on how a serious, moderate and insignificant level is defined.

The Committee was provided with the following definitions:

A serious incident: any work-related fatality or serious injury or illness. Section 35 of the WHS Act defines a 'notifiable incident' as:

the death of a person, or

serious injury or illness of a person example:

- Admission to hospital.
- Amputation.
- Serious electric shock.
- Fall from heights.
- Serious burn.
- Serious head injury.
- Separation of skin from an underlying tissue (such as degloving or scalping) where tendon, bone or muscles are exposed.

A dangerous incident example:

- Hitting an underground asset such as a gas or water main.
- An uncontrolled escape, spillage or leakage of a substance.
- An uncontrolled implosion, explosion or fire.
- An uncontrolled escape of gas or steam.
- The fall or release from a height of any plant, substance or thing.
- The collapse or partial collapse of a structure.
- The collapse or failure of an excavation or of any shoring supporting an excavation.

A moderate incident: an incident that occurs where the likelihood and consequence on a risk matrix determine an incident to be moderate.

Examples of moderate incidents:

- Where an injury has occurred and first aid has been administered or a consequence has happened as a result of an incident example:
 - A slip resulting in a twisted knee or ankle
 - A fall resulting in a cut on the knee or hand
 - A person tripped over a hazard on the ground on a jobsite had no injury but the consequences could have been worse of this incident.

An insignificant incident: an incident that occurs where the likelihood and consequence on a risk matrix determine an incident to be insignificant.

Example:

- Having a slip or fall on flat ground and no injury occurs – person is just reporting the incident.
- Person hit their elbow walking through a doorway – had no injury is just reporting the incident.
- A work car windscreen gets a stone chip while an employee is driving it.

RESOLVED:

1. THAT the Committee noted the update.

CARRIED

7.6 Insurance Coverage – Vehicle Incidents

In September, ARIC was presented with Federation Council Insurance Renewal Summary Report 2024 -2025. The Committee requested management's views on the reduction in the number of vehicle incidents (from 43 down to 21).

The Committee was provided with the following information:

The reduction in vehicle incidents is likely due to a combination of factors, including the fleet team's improved safety practices, increased reporting of near-misses and hazards and the council's focus on a safety culture. To gain a more comprehensive understanding of these factors and their impact, further data analysis is necessary over the next twelve months.

RESOLVED:

1. THAT the Committee noted the update.

CARRIED

7.7 StateCover WHS Self Audit Report

In September the Committee received the WHS State Cover Boost Audit – Federation Council May 2024 report. The Committee requested an updated report and action plan for the December ARIC Meeting.

The Manager People & Culture took a question on notice during the September ARIC meeting regarding the audit results on Client and Public Violence. Further information was provided to the Committee to answer the question on notice.

The Committee was advised that State Cover will assist Federation Council to develop an action plan for the audit recommendations and this work is scheduled for January 2025.

RESOLVED:

1. THAT the Committee noted the update and requested an update at the February 2025 Committee meeting.

CARRIED

ITEM 1. Governance

1.6 Audit Risk and Improvement Committee Meeting Actions Report 12.03 pm

The Audit Risk and Improvement Committee meetings actions report identifies actions arising from ARIC meetings and progress made on completing the actions.

Discussion:

The Committee was advised that the Council has identified discrepancies in the reporting system and is currently looking at how the reporting can be streamlined and improved for the next meeting. Reports are currently being prepared manually to ensure the accuracy of the information.

An update report will be provided at the next meeting, in accordance with the Forward Agenda.

Following documents were referenced:

[Attachment 3a ARIC - In progress actions - December 2024](#)

[Attachment 3b ARIC - Completed actions - December 2024](#)

RESOLVED:

1. THAT the Committee noted the reports.

CARRIED

GENERAL BUSINESS

The Chair expressed her thanks to Peter McLean (Independent Member) for making himself available to attend this meeting due to the unavailability of the recently appointed two new Independent Members (refer Meeting of 18 October 2024 for formal thanks to Peter).

Meeting closed at 12.06 pm.