

Public Accounts and Estimates Committee as part of the Inquiry into Fraud and Corruption Control in Local Government.

Questions on Notice Responses

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Thank you for the opportunity to appear before the Public Accounts and Estimates Committee as part of the Inquiry into Fraud and Corruption Control in Local Government and the opportunity to answer further questions.

The following are my responses to the questions on Notice:

1. What recurring fraud and corruption risks have you identified and how have these risks evolved or diminished while municipal monitors are actively overseeing council operations?
 - a. What trends have you identified in the Victorian landscape concerning changes in fraud and corruption over time?
 - b. Have any changes been observed before and after legislative reforms and the VAGO audits?
 - c. How have these trends informed recommendations for governance improvements?

Response:

I have sat on Audit and Risk Committees and my observation is that over a period of time the reviews of the Audit and Risk Committee framework has increased the diligence surrounding anti-fraud and corruption in protocols and procedures of the organisation and continues to make improvements as challenges arise particularly in relation to new technology. It is now more appropriate to increase expertise on the audit committees in relation to new/evolving technology and the risk to cyber security. Municipal Monitors assist Councillors to have a greater understanding of their roles in all aspects of governance however my experience is that Councillors may tend to focus on some of the day to day aspects of the budget as line items versus understanding their obligations for the overall budget as in the Act and their individual understanding of the role of the Audit and Risk Committee. The results of the Monitors work vary from Council to Council depending on a range of policy, procedures and personalities within the Council.

Most Councils manage their audit committees to a very high standard with annual workplans for the committee to include all recommendations from the VAGO audits. The progress of these plans should be reported regularly to Council by the Chair of the Committee and allow ample time for Councillors to raise questions. Recent reforms have strengthened the role of audit committees, but the workload is now considerable, particularly for small councils that have the same obligations as better resourced Councils.

Questions for Councillors:

Do Councillors understand what their Audit and Risk Committee is required to do?

Do they understand the scope of the Committee?

Do they monitor the changes made in accordance with the recommendations of VAGO?

Do they understand their own policies in relation to areas that have the potential to have corruption and/or fraud opportunities. eg tenders, community grants etc

2. How do commission of inquiry findings and recommendations impact the fraud and corruption regulatory framework and community trust in local government?

Response:

My experience on a commission of inquiry enabled an opportunity to provide a transparent process for commission members to probe the Council policies and procedures and recommend improvements to ensure that future activities are monitored more closely. There needs to be a timely plan to implement recommendations, and the progress of that plan should be reported back to Council in a public meeting. The Community tends to embrace the commissions as an opportunity to be heard at a local level and to see an outcome that will provide for better governance. Reporting on future progress in public allows the community to see that the recommendations of the commission are actioned in a timely manner.