

From: [REDACTED]
To: [PAEC](#)
Cc: [localgovfraudcorruption](#); ["John Watson"](#)
Subject: RE: Questions on notice and further information - Parliamentary Inquiry into Fraud and Corruption Control in Local Government | Monitors and Commissioners
Date: Tuesday, 15 April 2025 3:14:53 PM
Attachments: [image001.png](#)
[image002.png](#)

PAEC Secretariat

Thank you for the opportunity to review the proof transcript of the hearing held on 31 March 2025 in so far as it related to my evidence. I have reviewed the proof transcript and can advise there are no edits that I would want to make to my contribution.

With regards the additional questions included in your email, my responses are as follows:

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 not personally identified any specific fraud and corruption risks. The internal audits undertaken by Internal Auditors working with Audit and Risk Committees do regularly identify areas of potential risk and recommend actions to improve processes and procedures to mitigate those potential risks. A key function of the audit and risk committee is to then monitor the actions of management to implement the recommendations within agreed timeframes. From my experience, the presence of a Municipal Monitor does not in itself directly change the risk of fraud and corruption. Where a Monitor does have impact is in assisting the Council and its management to review and make sure key policies and particularly governance polices are current.

- a. My observations over time are that there is a much greater awareness within local government of the importance of having good fraud and corruption polices and accompanying training in place.
- b. This greater awareness has been driven by legislative reforms and the VAGO Reports that sit behind the current PAEC Inquiry. Since the VAGO Reports in particular, local governments have been busy in this space and well developed polices and regular staff training are

common.

- c. Rather than these trends informing recommendations for governance improvements, governance improvements are the trend.

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

Response –

The serious nature and level of authority of a Commission of Inquiry generally brings with it a level of respect and recognition not normally seen when IBAC or the Local Government Inspectorate undertake investigations. The public proceedings of a Commission of inquiry add to this as well, compared to the often 'secret' work of IBAC and the Inspectorate. In comparison to IBAC and the Inspectorate, a Local Government Panel under the Local Government Act can have a higher profile in the community. It follows that the findings and recommendations of a Commission of Inquiry generally carry more weight. It also follows that when a Commission's recommendations are seen to be acted upon, it helps to build or restore community trust in local government.