

8 July 2025

Ms Sarah Connolly MP
Chair
Public Accounts & Estimates Committee
Parliament of Victoria
Spring Street
EAST MELBOURNE VIC 3002

By Email Only: localgovfraudcorruption@parliament.vic.gov.au

Dear Sarah

**WRITTEN STATEMENT – PARLIAMENTARY INQUIRY INTO FRAUD AND CORRUPTION
CONTROLS IN LOCAL GOVERNMENT**

Thank you for your letter dated 23 June 2025 inviting Greater Shepparton City Council to provide a written witness statement in response to the Parliamentary Inquiry into Fraud and Corruption Controls in Local Government.

In response, Council provides the following information:

Challenges your council may continue to experience in maintaining effective fraud and corruption control measures following VAGO audit no. 40

Council acknowledges that resource constraints remain a significant challenge in implementing proactive fraud detection measures, particularly in the area of data analytics. However Council is confident that it currently has sound measures in place to monitor, identify and report any instances of fraud or corruption within Council, and is continuing to work on strengthening a positive culture which encourages the reporting of any wrongdoing.

The most substantial challenge Council currently faces is the timeliness of investigations once reported to integrity agencies. Acknowledging that we are limited in our internal ability to address a matter without the risk of compromising a future investigation, the timeliness of agency investigations into these types of complaints is critical, not only in limiting the severity of impact, but also the ability to maintain a level of trust in the integrity system.

The status of any actions implemented by your council following recommendations made by VAGO and any beneficial outcomes

Council has actively responded to the recommendations identified through the audit by strengthening its governance processes and capturing further evidence to support decision making. This has included:

- Comprehensive policy and procedure reviews
- Implementation of online claims forms to improve transparency
- Enhanced reporting mechanisms
- Targeted training for staff and Councillors
- Strengthened documentation to support decision-making

These measures have contributed to improved governance and accountability.

The impact of council and council executive on establishing a culture of effective fraud and corruption control measures

Council's leadership has demonstrated a strong commitment to fostering a culture of integrity. This includes:

- Development and enforcement of fraud and corruption control policies
- Mandatory training programs for all staff
- Investment in internal audit functions to continuously review practices

Council also conducts periodic staff engagement surveys to assess ethical culture and identify areas for improvement.

The current fraud and corruption reporting landscape in Victoria and the relationship between councils and integrity and oversight agencies

Council has maintained strong positive working relationships with the various integrity agencies, often interacting through the provision of information to support enquiries, complaints and investigations. In Council's experience, these interactions are always professional, with agency representatives working with Council to set reasonable timeframes for document discovery and work collaboratively to achieve positive outcomes and resolutions.

Following the conclusion of this inquiry, Council has had a recent experience with both the Independent Broad-based Anti-corruption Commission (IBAC) and Victorian Ombudsman (VO) in relation to a Public Interest Complaint. Through these interactions, it has become apparent that both agencies are inadequately resourced to manage the volume of complaints they are currently processing, which has been evidenced by the initial transfer of the complaint from IBAC to VO, and the subsequent request several months later by the VO to transfer the investigation of the allegations back to Council.

In addition to the concern of resourcing constraints, Council has expressed concerns to the VO in regard to our ability to conduct such an investigation, without risk of breaching the PID confidentiality provisions. To date, these concerns have not been addressed and remain outstanding. If the intent is for agencies to continue to transfer investigations back to the reporting entity due to resourcing constraints, we respectfully request consideration of a legislative reform which expands the definition of investigating entities to ensure the relevant powers are conferred accordingly.

Proposed approaches to resourcing across councils, including knowledge and skills sharing models.

Council welcomes a co-ordinated, sector-wide approach to fraud and corruption control, noting that this would need to be supported and coordinated by a sector representative such as Local Government Victoria.

Such an approach could support:

- Establishment of a knowledge-sharing framework led by Local Government Victoria
- Development of shared service models for internal audit and fraud detection
- Sector-wide investment in data analytics tools, supported by training and implementation guidance

Such initiatives would enable Councils to overcome individual resource limitations and strengthen collective capacity. This would be particularly valuable in supporting the broader adoption of data analytics as a tool for fraud detection. While data analytics has proven to be effective in identifying fraudulent activity, the level of utilisation and maturity of such tools varies significantly across Councils. A co-ordinated approach to investment, along with sector-wide guidance on development and implementation, would greatly enhance fraud and corruption control capabilities within Local Government.

Greater Shepparton City Council remains committed to continuous improvement in fraud and corruption control. We welcome the opportunity to contribute to this Inquiry and support reforms that enhance transparency, accountability, and public trust across the Local Government Sector.

Yours sincerely



Fiona Le Gassick
CHIEF EXECUTIVE OFFICER

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