

Parliamentary Inquiry into Fraud and Corruption Control in Local Government
Opening Statement by Mayor Scott Rossetti
Hearing Date: 28 July 2025 | Time: 8:30 AM

As Mayor of Wellington Shire Council, I welcome the opportunity to speak to our Council's commitment to strengthening fraud and corruption controls.

Wellington Shire Council was one of the councils examined in VAGO Audit No. 40: *Fraud and Corruption Control – Local Government*. As we did in 2019, we continue to take the findings seriously. The changes made following the audit have been maintained, and we remain focused on continuous improvement. This includes embedding a fraud lens across our oversight responsibilities and governance practices.

Oversight from our Audit and Risk Committee plays a critical role in maintaining accountability and driving improvement. The Committee is highly active, meeting regularly to review internal controls, monitor risk, and ensure that governance frameworks remain robust. It provides independent oversight of Council's fraud and corruption control measures and is instrumental in identifying emerging risks and recommending responsive actions.

We conduct regular reviews and continue to strengthen key policies, including the Councillor Expense and Administration Policy, Corporate Credit Card Policy, and Fraud and Corruption Control Policy. These efforts help maintain our focus on transparency, awareness, and the prevention of fraud. Our expense policy requires councillors to certify claims with documentary evidence, outlining the reason for the expense and confirming its legitimacy to support transparency.

However, we recognise that policy alone is not enough. All nine councillors elected for the 2024–2028 term participated in face-to-face training on Local Government Fundamentals, Councillor Conduct Obligations, and the Councillor Code of Conduct as part of their induction. A further session, scheduled for July 2025, will be delivered by an external legal professional and will focus on councillor decision-making, integrity, and conduct. These initiatives reinforce our commitment to continuous learning and ethical leadership.

Despite the many controls in place, we acknowledge that maintaining effective fraud and corruption control measures is an ongoing challenge. Risks evolve, and vigilance must be sustained. One key challenge is ensuring that all individuals understand and uphold their obligations. While training is essential, it is not always sufficient. Reviews of misconduct cases at other councils show that individuals who engage in wrongdoing often do so with full awareness that their actions are unacceptable. This underscores the importance of not only preventative measures but also robust detection controls such as audits and reporting mechanisms, which are equally critical.

Leadership plays a central role in fostering a culture of integrity. Councillors must set the tone from the top, modelling ethical behaviour and reinforcing expectations across the organisation. Clear consequences for non-compliance, combined with strong leadership and robust systems, are key to sustaining effective fraud and corruption control.

I support initiatives that assist with resourcing across councils, including knowledge and skills-sharing models. These strategies are vital for building sector-wide capacity and ensuring consistency in fraud control measures. Smaller councils, in particular, benefit from shared expertise and collaborative frameworks that support integrity and good governance.

CR SCOTT ROSSETTI
Mayor, Wellington Shire Council

Parliamentary Inquiry into Fraud and Corruption Control in Local Government
Opening Statement by Carly Bloomfield
Hearing Date: 28 July 2025 | Time: 8:30 AM

As Manager Governance at Wellington Shire Council, I welcome the opportunity to contribute to this important discussion on fraud and corruption control in local government, particularly from the perspective of staff engagement, operational integrity, and governance systems.

Following VAGO Audit No. 40: *Fraud and Corruption Control – Local Government*, we have continued to maintain and build upon the actions delivered in response to the audit's recommendations. These include regular reviews of relevant policies, ongoing staff training, and enhanced oversight mechanisms. Together, these measures have strengthened transparency and governance practices.

Staff play a central role in maintaining a culture of integrity. Our Fraud and Corruption Control Policy outlines examples of internal and external fraud and provides clear guidance on how to report suspected misconduct. Mandatory fraud and corruption awareness training is delivered at induction and at least every two years. These measures communicate expectations and equip staff to recognise and respond to risks.

Importantly, we recognise that both staff and the community must feel safe and supported in raising concerns. While reporting mechanisms are in place, we are currently exploring software solutions that enable anonymous reporting and further promote a speak-up culture. Creating accessible and confidential pathways for reporting is essential to building trust and encouraging early intervention.

Strong operational controls continue to be implemented. Fuel cards are assigned to specific vehicles, with accurate listings maintained and periodic internal audits conducted. Credit card use is restricted to authorised holders, with appropriate segregation of duties in place for expenditure approvals. These measures reinforce accountability and provide a clear audit trail.

Oversight by the Audit and Risk Committee remains a cornerstone of our governance framework. The Committee meets regularly to monitor risk, review internal controls, and provide independent advice and guidance, including identifying opportunities to further strengthen controls.

Councillors play a key role in setting the tone at the top. Through their input into the Risk Appetite Statements, they reinforce Council's controlled approach to fraud and non-compliance with standards and legislative responsibilities. Councillors are supported with regular training at induction and throughout their term to reinforce ethical leadership and encourage a speak-up culture. They also receive guidance on completing initial and biannual personal interest returns and are reminded of the importance of providing supporting documentation for reimbursements related to their duties.

While training and policy are essential, we acknowledge they are not always sufficient. Findings from other misconduct cases show that individuals who engage in wrongdoing often do so with full awareness of the consequences. This highlights the need for robust detection mechanisms including audits and reporting systems to complement preventative efforts.

I recognise the important role of oversight agencies such as VAGO and IBAC in assisting councils to strengthen fraud and corruption controls. Their guidance, audit programs, and sector-wide insights help build capability, promote consistency, and enhance governance frameworks. Continued investment in shared resources, training, and knowledge-sharing initiatives across the sector is welcomed, as it enables councils to build and sustain integrity in local government.

CARLY BLOOMFIELD

Manager Governance, Wellington Shire Council