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Friday, 4 July 2025

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

Via Email: PAEC@parliament.vic.gov.au

Dear Ms Connolly

**RE: PARLIAMENTARY INQUIRY INTO FRAUD AND CORRUPTION CONTROL IN
LOCAL GOVERNMENT**

Thank you for the opportunity to present to the Public Accounts and Estimates Committee on this important matter for the Local Government sector.

As an original participant in VAGO Audit *no. 316: Fraud Control Over Local Government Grants (2022)*, Council was presented with an initial opportunity to assess its fraud and corruption control with respect to the distribution of public funds.

This Parliamentary Enquiry provides Council with a new opportunity to share our learnings and ensure that the Victorian Government is aware of not only the challenges facing the sector, but also the significant steps Councils are taking to protect themselves.

Please find enclosed a copy of Council's opening statement ahead of our in-person attendance at the enquiry. If you have any questions with respect to this matter please contact [REDACTED], Head of Government Relations and Advocacy on [REDACTED] or [REDACTED]

Yours sincerely

[REDACTED]

ADAM MCSWAIN
ACTING CHIEF EXECUTIVE OFFICER

Encl: Hume City Council Opening Statement

Hume City Council Opening Statement

Hume City Council welcomes the opportunity to present to the Public Accounts and Estimates Committee (PAEC) on their *Parliamentary Inquiry into Fraud and Corruption Control in Local Government*.

Hume City Council was one of the selected Councils that participated in the original VAGO Audit no. 316: *Fraud Control Over Local Government Grants (2022)* and has implemented several actions in response to recommendations provided to Council by VAGO through that audit. This Parliamentary Enquiry presents Council with a new opportunity to assess its efforts to reduce fraud and to therefore protect the interests of Council and the community.

Our opening statement addresses the key areas sought as part of this invitation to present to PAEC.

Without question, the benefits of a Hume City Council culture that promotes effective fraud and corruption control measures are significant.

Whilst they play an extremely important role in critical matters such as financial protection, data protection and legal compliance, they also help present Hume City as:

- An organisation that other organisations want to partner with.
- A destination to invest in.
- An employer of choice.
- A builder of trust with the community.
- A safe hand to represent on behalf of our constituents.

With respect to recommendations from VAGO, all these have been implemented by Council – many of which required no action as the organisation was already compliant. Important changes to our Community Grants process made in response to the audit were to require all Grant Assessors to undertake mandatory Fraud Awareness and Conflict of Interest training, updating Council's Conflict of Interest process, and development of the Community Grants Terms of Reference, the Community Grants Application Guide and an Evaluation Framework Process.

In addressing challenges our council continues to experience in maintaining effective fraud and corruption control measures following VAGO audit no. 316, the ever-present change in personnel requires an ongoing training program for new participants in a grant assessment process. Council has implemented a training program for all new Council employees prior to any program progressing.

When considering the current fraud and corruption reporting landscape in Victoria and the relationship between councils and integrity and oversight agencies, Hume City Council is proud that we maintain a strong relationship with integrity and oversight agencies within Victoria.

This is not only in response to referrals or complaints from external stakeholders, but also through professional development undertaken by Hume City officers to ensure these officers are aware of any changes to legislation or processes that will require Council intervention at a period in time.

All interactions with external agencies have been courteous and respectful, which has been welcomed by Council officers particularly considering recent experiences in addressing persistent complaints or referrals made by members of the local community.

The reporting requirements, whilst onerous at times, are important in ensuring both the relevant organisation and agency have all the required information to make informed decisions.

Finally, the opportunity to provide feedback on proposed approaches to resourcing is welcomed. During the last Council term (2020-2024) Council invested in a new Integrity function to support the referral and complaints process across Council. Whilst Hume City are in the position financially to do so there would be many other smaller Councils that may not be able to.

It has been well reported the challenges that some other Councils have faced. If those Council's are not resourced sufficiently to support investigations, then timely and just outcomes are more difficult to achieve.

As these issues are not felt by Councils right across Victoria, an option for consideration is the designation of officers from within the Victorian Government to be seconded out to impacted Councils to support investigations.

That would negate the need for Council's to have to find funding in their respective budgets to employ/engage a staff member/consultant to lead investigations for a matter that may be isolated and assist in building capacity right across the Local Government sector.

Fraud and corruption control is of vital importance to the Local Government sector. It is of the utmost importance to Hume City Council and as such have developed and implemented a suite of policies and processes to drive positive outcomes for our community.

We look forward to the opportunity to present to the Committee on this matter.