

Opening Statement

The “Fraud and Corruption Control” and “Fraud Control over Local Government Grants” reports were welcomed by Council in 2019 and 2022. Receiving these types of reports is an opportunity for Council to assess its own policies, procedures and practices against best recommendations contained within the Reports. It also assists Council in determining areas of focus for annual internal audits.

As such, a report was tabled at Council’s Audit and Risk Committee (ARC) and an internal review took place.

The review found that Council already complied with many of the recommendations within the reports but also prompted a number of changes for the organisation.

Changes implemented as a result of the report’s recommendations, included:

- A review of Council’s Councillor Expense Policy
- Updated Councillor claim forms to include certification by Councillors that the expenses are in accordance with relevant legislation and included odometer readings when claiming mileage
- Increased Councillor Expenses reporting from annually to quarterly to the Audit and Risk Committee
- Updated Council’s Public Interest Disclosures Procedure and communicated to staff accordingly
- Updated Council’s Fraud and Corruption Control Policy
- Conducted Fraud training for staff and Councillors
- Conducted conflict of interest training for Councillors in addition to the content provided as part of Induction
- Policy and guidelines for Community Partnership Grants were updated in-line with the recommendations, this included Councillors noting the grants being awarded under delegation as opposed to approving
- Grant related fraud risks included in risk management plans

Provided by VAGO – The Committee is interested in Council’s views, insights and experiences regarding:

- **Challenges your council may continue to experience in maintaining effective fraud and corruption control measures following VAGO audit no. 316**

Largely relates to resourcing, see last response.

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

As per the opening statement, Council reviewed the reports and found that many of the recommendations were already current practice or policy, and where the recommendation held benefit for adoption, the review of the reports sought to correct these elements by incorporating the recommendations into policy reviews, practices, guidelines, induction and training.

Some recommendations are still in progress and detail regarding this was provided in the survey and questionnaire responses.

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

Council continually reviews controls that are in place through a number of mechanisms, including ARC which provides valuable independent oversight and advice, ongoing policy reviews, training and regular reporting. By continually reviewing these mechanisms with a fraud and corruption lens, it builds a positive message and a culture within Council that we are always looking for ways to strengthen fraud and corruption controls and aims to ensure staff feel supported and confident raising queries or suggesting improvements.

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

In terms of reporting between councils and integrity and oversight agencies, a number of resources, templates and guidance is made available by these agencies to assist Councils.

The audit function for both internal audits and external audits undertaken by the VAGO agent provides Council with further comfort that fraud and corruption is addressed regularly and at the forefront when reviewing policies, procedures and controls. Internal audit reports are provided to ARC with an agreed audit plan spanning the years of the plan.

Council is acutely aware of the steps required and relevant agencies should an issue arise relating to fraud or corruption.

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

Resourcing is a constant challenge in rural Councils, this includes attracting and retaining staff with appropriate knowledge and experience along but also extends to appropriate resources to enable wider training throughout the organisation.

There will always be certain business areas within the organisation that have detailed knowledge of fraud and corruption due to the nature of their positions, the challenge is finding ways to ensuring that knowledge is available to the broader organisation.