



WEST WIMMERA SHIRE COUNCIL

21 July 2025

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

Dear Ms Connolly,

RE: Parliamentary Inquiry into Fraud and Corruption Control in Local Government - Invitation to give evidence

Thank you for your email regarding an invitation to participate in the inquiry into fraud and corruption control in Local Government.

West Wimmera Shire Council welcomes the opportunity to provide insights and reflections on its response to VAGO Audit No. 316 and broader fraud and corruption control measures.

Please find attached a copy of Council's statement as requested, if you have any questions regarding this matter, please contact myself on

Yours sincerely,

David Bezuidenhout
Chief Executive Officer

The West Wimmera Shire Council has developed a comprehensive action plan in response to the Victorian Auditor-General's Office (VAGO) recommendations aimed at strengthening fraud control and governance in the administration of local government grants. The plan outlines specific actions, timelines, and commitments to improve transparency, accountability, and integrity in grant management processes.

1. Ongoing Challenges in Maintaining Effective Fraud and Corruption Control

While the Council has made significant progress in implementing VAGO's recommendations, several challenges persist:

- **Resource Limitations:** As a small rural council, we face constraints in staffing and funding that limit our ability to continuously monitor and enhance fraud control systems.
- **System Integration:** Transitioning to a fully centralised grant management system (SmartyGrants) requires ongoing investment in technology and training.
- **Cultural Change:** Embedding a culture of proactive fraud prevention across all levels of the organisation remains a long-term effort, particularly in balancing compliance with community-focused service delivery.

2. Status of Actions and Beneficial Outcomes

The Council has implemented or committed to all key recommendations from VAGO Audit No. 316. Notable actions include:

- **Conflict of Interest Management:** Staff and Councillors now declare conflicts for each grant application, with clear procedures for exclusion from assessment. Councillors and staff are also required to complete the specified form which is also added to the Conflict-of-Interest Register. The Code of Conduct module has been included in our Learning Management System (LMS), which is compulsory for all staff to complete. This module now includes a section on fraud and corruption. Councillors and staff both undertake Conflict of Interest Training at the beginning of the Council term and in addition receive access to all policies, specifically Fraud and Corruption Control Policy.
- **Transparent Grant Assessment:** Eligibility and assessment criteria have been introduced or improved across programs, with structured documentation and communication to applicants.
- **Grant Acquittal and Verification:** All grant programs now include substantiated payment milestones and acquittal processes.

- **Centralised Decision-Making:** A centralised system (SmartyGrants) has been implemented by Council in early 2023 to manage all grant applications and eligibility assessments and acquittals. Council ensures that funding decisions are consistent with Council Goals and budget allocations.
- **Training and Risk Management:** Training for staff and inductions for Councillors now include fraud, risks and conflict of interest management.
- **Council's Grant Policy** has been comprehensively reviewed and updated (April 2023) to include process for conflict-of-interest declarations. To further enhance the policy, Council have included a conflict-of-interest section in the application assessment process on Smarty Grants (completed 2024).

These actions have led to improved governance, greater transparency, and increased confidence among staff and community stakeholders.

3. Role of Council and Executive Leadership in Shaping Culture

Council leadership has been instrumental in driving cultural change:

- **Policy Commitment:** The development of an overarching grant policy has provided a clear framework for ethical and strategic grant management.
- **Executive Support:** Senior management has actively supported training initiatives and policy reforms, reinforcing the importance of integrity.
- **Governance Structures:** The Audit and Risk Committee plays a key role in overseeing fraud control measures and ensuring accountability.

4. Reporting Landscape and Relationships with Oversight Agencies

The current reporting landscape in Victoria presents both opportunities and challenges:

- **Multiple Oversight Bodies:** While agencies such as IBAC and the Local Government Inspectorate provide essential oversight, navigating reporting pathways can be complex.
- **Limited Feedback:** Councils often receive minimal feedback after reporting, which can hinder continuous improvement.
- **Need for Collaboration:** There is scope for more proactive engagement between councils and oversight bodies, including joint training and shared learnings.

5. Resourcing and Knowledge Sharing Across Councils

West Wimmera Shire Council supports collaborative approaches to resourcing and capability building:

- **Shared Services:** Regional collaboration could enable councils to share fraud control expertise and internal audit functions.
- **State-Supported Training:** Coordinated training programs funded or facilitated by Local Government Victoria would ensure equitable access to essential skills.

The West Wimmera Shire Council's action plan demonstrates a strong commitment to improving governance and mitigating fraud risks in grant administration. By aligning its practices with VAGO's recommendations, the Council is taking proactive steps to ensure that public funds are managed responsibly and transparently. The integration of centralised systems, policy reforms, and training programs reflects a holistic approach to strengthening institutional integrity and public trust.