7 July 2025

The Secretariat
Public Accounts and Estimates Committee
localgovfraudcorruption@parliament.vic.gov.au

Dear Sir/Madam,

Re: Manningham City Council's Statement

Manningham Council's recently adopted Council Plan 2025-2029 includes a mission to "serve our community with integrity and transparency...". Council understands our role as stewards of public resources as well as the counter challenge of diminishing public trust in public institutions, and adopts a comprehensive and mature approach to fraud and corruption control, underpinned by a zero-tolerance policy.

This framework proactively integrates prevention, detection, and response mechanisms across all organisational levels and is embedded within the Council's Risk Management Strategy and broader integrity governance architecture, with oversight by management's Executive Risk Committee and the independent Audit and Risk Committee.

The strategy is proactive and continuous, recognising fraud and corruption as a significant operational risk. Key elements include an annual assurance review, a structured risk register, internal audit planning, compliance testing of high risk activity controls and regular policy and procedural updates. The governance model explicitly delineates responsibilities across the 'Three Lines of Defence' Model, ensuring effective control ownership and independent oversight.

Councillors understand their governance role to set and review strategic risks and monitor organisational performance and culture. Councillors are active members of the Audit and Risk Committee and use CEO KPIs to increase their visibility of the organisation, its people and practices. Reciprocally, the CEO maintains regular contact with all Councillors, encouraging open and frank feedback.

Central to Council's fraud and corruption control is the emphasis on cultivating a positive culture of working together, empowerment, accountability, respect and excellence. With this articulated in the CEO's KPIs, implementation is led by our executive and management leaders and is promoted through a range of initiatives including:

- Comprehensive training and induction programs
- Councillors committed to leading with integrity, transparency and accountability through a shared statement of intent binding them to Council's employee values
- Conflict of Interest declarations and policy
- Monitoring and reporting of indicator data to Council and Audit Committee, including employee engagement survey results
- Public reporting of data and information e.g. Councillor and CEO expenses

Initiatives such as this create an environment where ethical behaviour is the norm and misconduct is not tolerated or ignored. This culture is further reinforced through regular dissemination and analysis of updates from integrity bodies like IBAC and VAGO. Council will continue to strengthen and interrogate our framework to avoid complacency.

In relation to challenges, Councils across Victoria, including Manningham face unique demands in maintaining effective systems of control due to the scale and complexity of Council operations, population diversity, and the ever increasing scale of procurement activities and interactions with third parties. Balancing service and infrastructure delivery and risk control within ever tightening resource constraints demands careful prioritisation and innovation to maintain efforts and resourcing on protective mechanisms, staff awareness and knowledge.

Barriers to effective cyber and data security for the sector include limited access to skilled cybersecurity professionals, constrained budgets, dated IT infrastructure, inconsistencies in cybersecurity models and frameworks, different levels of security for data sharing and the dynamic nature of cyber security threats. This will be exacerbated by the rapid emergence of artificial intelligence, noting that there are also opportunities to be harnessed in this emerging field.

A more coordinated program of shared services, joint procurement and shared knowledge, led by groups of councils and sponsored by the State in areas such as cyber expertise, internal auditing, policies, procurement and core corporate systems would greatly improve the sector's effectiveness in detecting and managing these risks.

Finally, fraud and corruption reporting and oversight in Victoria can be complex. Councils are required to engage with multiple integrity agencies, including IBAC, VAGO, the Ombudsman, LGV, OVIC etc. This can lead to confusion, delayed reporting, duplicated effort and a perception of being in a constant state of reporting. Continued strengthening of clarity and coordination in reviews and reporting requirements would assist Councils in focusing resources on effective prevention and response activities.

In conclusion, with greater awareness amongst Councils, coordination of oversight bodies and a willingness to collaborate between Councils and the State Government, even greater efficiency and effectiveness in managing internal and external fraud and corruption threats can be achieved.

Yours sincerely,

Cr Deirdre Diamante
Mayor

Andrew Day
Chief Executive Officer

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