

29 August 2025

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

By Email Only: localgovfraudcorruption@parliament.vic.gov.au

Dear Sarah

PARLIAMENTARY INQUIRY INTO FRAUD AND CORRUPTION CONTROL IN LOCAL GOVERNMENT - ADDITIONAL QUESTIONS

Thank you for your letter dated 22 August 2025 inviting Greater Shepparton City Council to provide additional information in response to the Parliamentary Inquiry into Fraud and Corruption Controls in Local Government.

In response, Council provides the following information:

1. Would standardisation across councils be beneficial? What things would you like to have standardised (e.g. policies, processes, reporting, grant assessment criteria)?

Council recognises the efficiencies which can be gained through standardised policies and processes, however cautions that any approach of this nature would need to be scalable to reflect the diversity across the Local Government Sector.

Better Practice Guidelines are well utilised and heavily relied upon by many Councils including our own. Council would support the development of further resources of this nature in addition to standard policies, particularly in the areas of mandatory compliance such as Councillor and Staff interaction protocols, election period protocols, conflicts of interest, gift disclosures and Councillor expenses.

Greater standardisation will likely strengthen understanding and result in a higher level of compliance across the sector, but will need to be carefully balanced to ensure it doesn't impair Council autonomy which was a key outcome driven through the principles-based approach introduced by the *Local Government Act 2020* (the Act).

2. How does your council ensure that its Audit and Risk Committee is contributing to best practice controls? For example, how your ARC prioritises its work and meeting agendas and maintains transparency.

As prescribed by the Act, Councils Audit and Risk Management Committee (ARMC) operate under a Committee Charter and Annual Work plan, both of which are adopted by Council in a meeting open to the public. These documents clearly articulate the responsibilities of the Independent Members, areas of oversight, and mechanisms for performance evaluation. Minutes and actions of each meeting are also presented to Council for noting, ensuring full transparency over the information reported, and the subsequent discussions and actions generated.

At the time of establishment of the ARMC and following any subsequent vacancy, officers complete a skills matrix to inform the selection and engagement of suitably qualified independent members, ensuring an appropriate mix of skills and experience is maintained on the committee.

Councils Internal Auditors are also in attendance at ARMC meetings and present a quarterly report on emerging risks or trends which may impact the Local Government sector.

3. How adequate do you believe the current consequences/penalties for breaches to the Local Government Act or instances of fraud and corruption are? What would you like to see changed?

In my view the penalties and sanctions prescribed are generally suitable.

I encourage consideration of broadening the scope of Councillor conduct complaints to enable the lodgement of complaints by Officers and/or community members.

Of greater concern, is the ongoing reduction of resources within integrity agencies which has rendered the regime ineffective. Councils including our own are being informed that there will be a 6-12month wait before an investigation will commence. Matters of such a sensitive nature, and which have substantial consequences for Council's, must be addressed far more promptly.

If investigating entities cannot be resourced in a way that enables them to effectively manage the current demand, I encourage consideration of a legislative reform which will empower Councils to address certain matters internally, however this does have resourcing implications that would need to be considered.

4. How adequate do you believe current whistleblower protections in the local government sector and how could these protections be improved?

The protections in place are effective in my experience, but like many things, are subject to and at risk of human behaviour/error.

Timeliness of investigations is key to protecting the integrity and confidentiality of the process, which is the key concern for our Council (as outlined above).

5. Shepparton's witness statement mentioned it has been able to enhance reporting mechanisms. Can you please tell us what the council has done and how it has improved governance and accountability?

Council has introduced the use of online forms through a Councillor portal to streamline the lodgement of Councillor gift disclosures and expense claims, with mandatory evidence capture. This has provided benefits to both elected members and administration, enabling more comprehensive and timely capture of information and subsequent reporting to Councils ARMC.

Reporting to Council on grants programs has also been improved, with a strengthened focus on program evaluations and acquittal processes. While the various grant programs are awarded under delegation by Officers, reports are presented to Council for noting to provide transparency.

Yours sincerely


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CHIEF EXECUTIVE OFFICER

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