

Enquiries: [REDACTED]

Telephone: [REDACTED]

29 August 2025

Sarah Connolly MP
Chair of Public Accounts and Estimates Committee

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

Dear Ms. Connolly

**Re: Parliamentary Inquiry into Fraud and Corruption Control in
Local Government - Additional Question responses**

Would standardisation across councils be beneficial? What things would you like to have standardised?

Standardisation can deliver efficiency, consistency, and comparability across the sector. However, while standardised reporting provides a useful baseline, it often does not resonate with our community and lacks the agility to capture emerging issues. Any refinement of the framework should balance consistency with the need to reflect the priorities of 79 very different communities.

Areas that would benefit include:

- **Grant Assessment Frameworks:**

Councils currently develop their own frameworks for evaluating grants. A sector-wide standard could ensure transparency, consistency, and fairness, making it easier to benchmark decisions and outcomes. It is important to note that at Nillumbik our grant assessment framework is informed by a transparent and unbiased process, where decision-making and grant assessments are kept separate. Councillors do not sit on grant assessment panels which have a deliberate decision grounded in good governance practice and the need to maintain both the integrity and perception of fairness in decision-making.

Introducing standardisation would reduce the administrative burden and improve benchmarking against other councils, while still allowing local flexibility for community priorities.

- **Policies and processes:**

Policies exist for fraud, corruption and risk management approaches but vary between councils. Standardised approaches to risk assessment, fraud prevention, incident escalation, and investigation protocols could strengthen integrity practices across the sector.

- **Reporting templates and Metrics:**

Although through the Local Government Performance Reporting Framework (LGPRF), councils report on standardised measures across services such as roads, planning, waste, and animal management. These results are compiled for benchmarking on the Know Your Council website. There is less consistency in internal reporting templates for audit, risk, compliance, and operational performance. Standardisation here would improve comparability and reduce the administrative burden.

How does your council ensure that its Audit and Risk Committee (ARC) is contributing to best practice controls?

Nillumbik's Audit and Risk Committee (ARC) operates with a clear forward plan aligned to key risk areas, legislative obligations, and audit priorities. Agendas are developed to balance statutory requirements with emerging risks, ensuring that both known and evolving issues are addressed. The ARC includes independent members with strong financial, risk, and governance expertise, providing objective oversight and strategic guidance. Transparency is maintained through Council receiving minutes and reporting from the ARC, ensuring oversight of decisions and follow-up of audit recommendations. Internal and external oversight mechanisms are embedded through our appointed auditors, who provide independent assurance on financial statements, risk management processes, and compliance frameworks. This multi-layered approach ensures that the Council's governance and accountability frameworks are robust, reliable, and consistently monitored.

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

Current penalties provide a deterrent, but enforcement and timeliness are variable. There is scope to strengthen consequences for serious breaches, particularly in relation to misuse of position and conflicts of interest, to better uphold community confidence. Nillumbik supports consistent application of penalties across the sector and timely outcomes when breaches are identified.

How adequate are current whistleblower protections in local government, and how could they be improved?

Protections under the Public Interest Disclosures Act are important but can be complex for staff and community to navigate. Improvements could include clearer guidance on rights and processes, stronger communication from integrity agencies, and assurances about confidentiality and protection from reprisal. Regular training and awareness sessions are required to be delivered to staff and Councillors to support understanding and confidence in reporting mechanisms.

What changes at Nillumbik relating to culture or cooperation between Council and the Executive have strengthened fraud and corruption controls?

Over the years, Nillumbik has focused on fostering a culture of integrity,

accountability, and collaboration. This approach has strengthened trust across the organisation and supports the earlier identification and management of risks. Key initiatives include embedding fraud and corruption awareness training into our learning calendar, enhancing internal reporting and escalation processes, and maintaining a constructive relationship between Councillors and the Executive, underpinned by a shared commitment to strong governance and transparency.

Questions for Elected Members:

How comfortable are you with the current use of confidentiality in meetings? How could transparency be improved?

Confidentiality at Nillumbik is applied appropriately in accordance with the Local Government Act, including for commercial-in-confidence matters, personnel issues, and legal advice. Council is mindful of the importance of limiting confidentiality to only what is necessary and ensuring information is released as soon as practicable. Reflecting the effectiveness of these governance practices, Nillumbik's confidentiality-related matters have consistently remained at mid-2% levels for several years now, which is well below the state average, demonstrating a strong balance between protecting sensitive information and promoting openness. Transparency can be improved with a greater use of summary reporting and clearer communication about the reasons for confidentiality.

What are the barriers and enablers to a culture that supports 'speaking up' about fraud or corruption? Do you feel confident in integrity agencies?

Some barriers include staff fearing reprisal, being unsure of the correct reporting channels, or worrying that their concerns will not be acted on. Delays in external investigations can also reduce confidence in the effectiveness of integrity agencies.

Enablers are a culture that encourages speaking up, supported by clear policies and procedures, visible and consistent leadership commitment, confidential and accessible reporting mechanisms, and regular, practical training.

At Nillumbik, a range of initiatives has reinforced a speak-up culture. Staff engagement programs and open communication from leadership have created a safer environment for raising concerns. There is increased confidence in reporting issues internally, knowing that matters are taken seriously and addressed appropriately. While there is overall confidence in external integrity agencies, timeliness of investigations continues to be an area for improvement to ensure trust is maintained and strengthened.

Looking forward, ongoing focus on communication about the outcomes of reports, embedding lessons learned, and highlighting leadership support will

further strengthen the organisation's integrity culture and encourage proactive reporting of potential fraud or corruption.

Yours sincerely



Carl Cowie
Chief Executive Officer

Copy: Councillor John Dumaresq, Mayor

