

### WELCOME to the first edition of the Local Government Investigations and Compliance Inspectorate (Inspectorate) newsletter for 2012.

In this issue we take a look back at 2011 and the outcomes achieved by the Inspectorate, we tell you how to avoid a possible fine of over \$7000 and let you know the questions you need to ask before lodging a complaint with the Inspectorate. We hope you enjoy this edition and welcome your feedback. [Get in touch at inspectorate@dpcd.vic.gov.au](mailto:inspectorate@dpcd.vic.gov.au).

#### The year in review

The Inspectorate is a small but highly effective unit. With only six investigators, an analyst and three compliance auditors, the Inspectorate has achieved significant outcomes over the past year in both the quality and compliance area and investigations.

#### Complaints and investigations

In 2011 the Inspectorate completed 78 investigations for allegations of breaches of the Local Government Act 1989 (Act). Investigations were primarily driven by complaints that were assessed as meeting the jurisdiction of the Inspectorate. It is important to note that many complaints that are outside the Inspectorate's jurisdiction such as councillor conduct and administration matters are referred to the relevant council or Ombudsman Victoria in the first instance.

No breach of the Act was found in 56% of investigations. In 15% of investigations, a breach was found however there was insufficient evidence to identify the person responsible for the breach or to support a prosecution, and 9% of investigations resulted in prosecution. Not all breaches of the Act are prosecutable offences. You can read a full list of prosecutions undertaken by the Inspectorate online.

The number of complaints received has remained steady, however the veracity and complexity of complaints has increased, leading to a higher number of lengthy investigations being undertaken.

Table 1 details the outcomes of closed investigations for 2011. This graph does not include complaints that are currently open and under investigation. The outcomes have remained consistent with the previous year.

#### Investigation Outcomes 2011

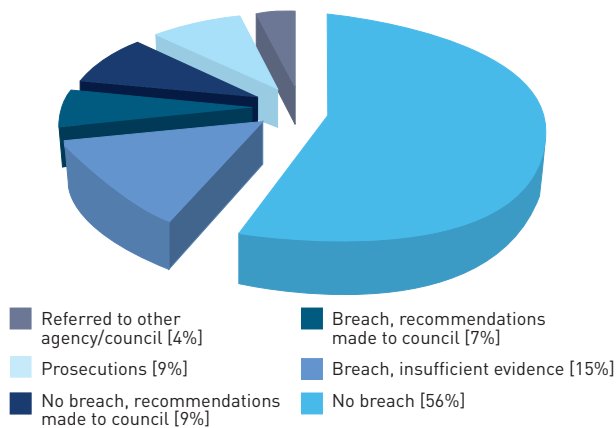


TABLE 1

#### Quality and compliance

In 2011 the Inspectorate's quality and compliance team conducted comprehensive audits of 27 Victorian local councils leading to 101 recommendations for improvement made to councils. The most common areas recommended for improvements were senior officer contracts, special committees and primary and ordinary returns. To assist councils to improve processes around these areas, the Inspectorate developed information bulletins now available online. For a full list of the areas where recommendations were made, see table 2.

#### Recommendations

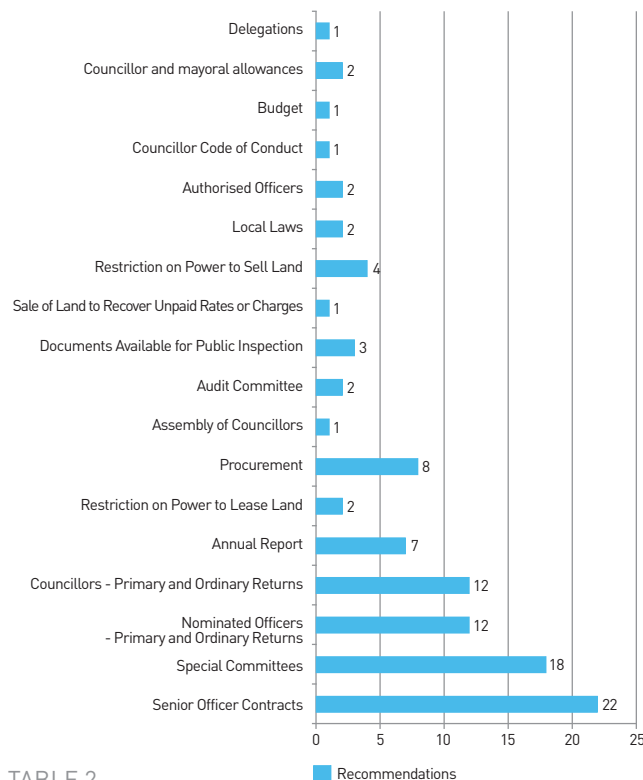


TABLE 2

There were also a number of areas where councils were performing extremely well including local laws, council plans, delegations, allowances and reimbursement, oath of office, rates and charges, special meetings and election of mayor.

The Inspectorate aims to promote examples of good practice processes that work so councils can learn and share resources, like the special committee example from Wellington Shire Council featured in our last newsletter. To make this even easier, we've developed an area online to house good practice examples from around Victoria.

## One week til deadline

There is one week left for people that are required to submit ordinary returns to do so. All ordinary returns must be submitted to the CEO by Thursday 9 February 2012.

Every year ordinary returns must be lodged between 30 June and 9 August; and 31 December and 9 February. These dates apply to every person who is required to submit returns.

Failing to submit returns on time or failing to make the required disclosures are offences under the Local Government Act 1989 (Act) and can result in fines of over \$7000 payable by the individual, not the council.

Section 81 of the Act requires councillors, nominated members of council staff including senior officers, and members of special committees to lodge returns, unless they have been exempt by council.

Returns enable council CEOs to develop a Register of Interests which is designed to promote transparency and is a good tool to help prevent potential conflict of interest issues arising when decisions are being made.

Individuals must complete all questions on the form when completing an ordinary return and include all relevant information about personal interests during the return period.

## There are six categories of Registrable Interests

**Offices** – The name of any company or other body corporate or unincorporated in which office was held as a director or otherwise.

**Shares** – The name of any company or body in which a beneficial interest is held in shares or any other form.

**Land** – The address or description of any owned land in the municipal district of the council or in an adjoining municipal district.

**Trusts** – A concise description of any trust in which a beneficial interest is held by the individual or a member of their family, or of which the individual is a trustee.

**Gifts** – Any gifts received valued at \$500 or above from a person other than a relative.

**Other** – Any other substantial interest held by the individual or a member of their family.

Local Government Victoria has provided councils with detailed practice notes and sample forms for use. If you are a person required to submit an ordinary return it is important that you seek advice from your CEO to comply with the laws and contribute to good government. [For more information, go to www.dpcd.vic.gov.au/localgovernment](http://www.dpcd.vic.gov.au/localgovernment)

## Good practice examples online

The online resource bank is a knowledge sharing hub that houses resources for councils to access examples of good practice policies and procedures from around Victoria, including templates and process maps.

If your council needs assistance to develop a policy or procedure, have a look online to see if you can use one of the great examples we've found and adapt it to suit your needs. If you think you've got a process or policy that works well, share your knowledge with us to assist other local councils. [Click here for more information.](#)

## IBAC

In November 2011 legislation was passed to introduce the Independent Broad-based Anti-corruption Commission (IBAC). IBAC will have responsibility for the investigation of corruption across the public sector, police, the judiciary, parliament and local government. The Inspectorate will continue to have responsibility for investigating breaches of the Local Government Act 1989, and will work with IBAC to develop appropriate information sharing and joint investigation mechanisms following finalisation of the IBAC legislative framework in the next few months. The Inspectorate is working with the IBAC implementation team to foster an effective, outcome based relationship.

## How to make a complaint to the Inspectorate

Before making a complaint to the Inspectorate, there are a number of things to consider.

1. Is the complaint about a breach of the Local Government Act?
2. Is the complaint related to electoral matters?
3. Unless the complaint relates to electoral matters, is it about a councillor, a senior council officer or an individual subject to the conflict of interest provisions within the Act?
4. Where appropriate, has an attempt been made to resolve the issue directly with the council first?

Proceed with the complaint by providing information to the Inspectorate.

**Phone:** 1800 469 359

8am – 5pm weekdays

[A message bank will operate outside these hours](#)

**Email:** [inspectorate@dpcd.vic.gov.au](mailto:inspectorate@dpcd.vic.gov.au)

**Post:** Local Government Investigations and Compliance Inspectorate  
GPO Box 2392  
Melbourne Victoria 3001

Due to the volume of complaints received and the often complex nature of investigations, the investigation process can take some time. Each case is different and so we are unable to provide specific timeframes.