



## RATEPAYERS VICTORIA

Lower Rates, Less Waste, More Accountability

18 August 2019

Cr Tony Herbert & Councillors

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Dear Mayor & Councillors

### WITHOUT PREJUDICE

### Warrnambool City Council ("WCC")

We write in reference to recent media commentary with respect to the "Credit Cards Issue" that continues to gain traction in the media.

By now it is clear that several councillors and South West Coast MP Roma Britnell have seen fit to "break ranks" with council's own statements and call for an independent review of council's expenditure.

I note your comments in response to this and respectfully find them out of step and lacking in context of the wider community view. Your community is not happy.

Councils can only succeed if they have public confidence – we do not believe that the Warrnambool electors share your belief that there is "no case to answer". Indeed, it is rather the opposite.

It is clear from all commentary and public statements that Council is at a crossroads. Once a council has lost the public confidence and cannot regain it – the only viable option is an administrator.

We **do not believe that this is a good outcome for the people of Warrnambool** and suggest urgent action could be the only way to prevent same.

We would respectfully suggest that unless council conduct and 10-year retrospective audit of all council staff and councillor expenditure and publish it fully and frankly then you will not sufficiently address the groundswell of community anger.

The use of public money for any purpose must always be tempered with clear conscience and transparency and must show benefit and value to those who "fund it".

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The Victorian Auditor General has recently released a report into Council Credit Card Spending.

Here is the conclusion from this report aptly titled "Fraud and Corruption".

There are gaps in the fraud and corruption controls at the audited councils and in some cases important controls are not working. The failure of these controls can foster a culture in which fraud and corruption can occur and go undetected and result in financial loss or reputational damage to the councils. While we did not find fraud or corruption in the transactions we examined, we identified:

- expenditure where it was unclear to us how residents and ratepayers benefited
- practices that may not meet public expectations
- non-compliance with legislative requirements aimed at ensuring transparency over council practices to their communities and regulators.

Some individuals in positions of authority need to take a broader view of their obligations. They must appreciate that they are accountable to ratepayers and residents and consider how their communities may perceive their actions.

You will note that the emphasis here is a cultural issue, reputational damage & a clear question of how residents and ratepayers benefit from expenditure of council officers and staff. There is much strong language around the way staff appear to be spending ratepayers' money – we see similar themes to the issue at Warrnambool City Council and this is deeply troubling.

We would strongly suggest that the continual response from WCC is lacking and not addressing the "Public Perception" problem and is further entrenching council as "out of touch" with your local ratepayers.

We believe that the only way for you to restore trust as a Councillor group is to instigate without delay an urgent review of ALL expenditure (both staff and councillors) over the last 10 years.

WCC will likely need to appoint an external person to commence this to ensure effective analysis and appropriate reporting of same.

Only then, once the full and frank details (and any subsequent findings) are laid bare for all to see, can this issue be resolved. It will likely give rise to better governance and begin the long process to restore community trust.

Anything less is inadequate. Your community expects the whole truth, no less.

We look forward to your response.

Yours sincerely,

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