



**MEDIA RELEASE: WEDNESDAY, 3 JULY, 2019**

## **STRATHBOGIE SHIRE COUNCIL RESPONDS TO VAGO AUDIT FINDINGS**

Strathbogie Shire Council endorsed a comprehensive action plan in response to the findings of the recent Victorian Auditor-General's Office Audit Report (VAGO) into Fraud and Corruption Controls at a Special Council Meeting on Tuesday 2<sup>nd</sup> July.

The action plan involved formally accepting the resignation of Steve Crawcour as Chief Executive Officer (CEO), effective from Thursday 27<sup>th</sup> June 2019.

Council also appointed Phil Howard as Acting CEO until the appointment of a permanent CEO, which is envisaged to happen later this year.

Strathbogie Shire Mayor Cr Amanda McClaren said the appointment of Phil Howard as Acting CEO will allow the organisation to continue to make some serious policy and procedural improvements before it welcomes a new Chief Executive.

"We are confident Phil Howard is the right candidate to lead the organisation in the interim and Council's resolution at the Special Council Meeting has provided a very comprehensive list of process improvements for the organisation to action," Mayor McClaren said.

"We look forward to seeing much-needed changes to safeguard our ratepayers' money moving forward."

Mayor McClaren said Council is also focused on the very important task of appointing the next CEO, who will be crucial to ensuring the organisation can rebuild community trust with a much tighter focus on the needs and expectations of its ratepayers.

"We take the outcomes of this audit very seriously and it will be an important consideration in the recruitment of our next CEO," Mayor McClaren explained.

Council has commenced the recruitment process and will be advertising the CEO position in the coming weeks.

"We encourage any community member with thoughts or ideas on the qualities and attributes they'd like to see in the next Chief Executive, to please provide your feedback to Council Offices, or speak to your ward councillor," Mayor McClaren said.

Acting CEO Phil Howard said he is committed to leading the organisation to make the necessary process improvements endorsed by Council at the Special Council Meeting.

"I'd like to acknowledge the frustration felt by our community in relation to the findings of the VAGO Audit Report which has identified a failure by the organisation to meet the expectations of our community," Mr Howard said.

“I’d like to thank Council for the opportunity to lead this organisation in the interim and I am committed to using the findings in this report as a catalyst for needed change, in not only our policies and procedures, but the organisation’s culture, which is established, monitored and regulated by its senior executives.”

“We have a comprehensive list of process improvements, including strengthening controls for Mayor, CEO and Councillor expenditure, strengthening the role of our audit committee, prohibiting the purchasing of gifts and alcohol as valid reimbursements and revising the policy for the private use of Council vehicles,” Mr Howard said.

Mr Howard said Council will also be requesting a further meeting with VAGO in 12 months to review the actions undertaken by the organisation and the effectiveness of them.

“We are committed to serious policy and culture change over the next 12 months and will keep the community updated with progress on the action plan along the way.”

Where financial loss has occurred as a result of poor practice identified in the report, steps have been taken for recovery.

Inappropriately claimed parking fines and telephone expenses have been repaid and the former executive rental expense has been referred to the internal auditor to investigate whether financial loss to Council has occurred. If a loss is identified, steps will be taken to recompense the shire.

Minutes from the Special Council Meeting, including the full action plan, will be made available at [www.strathbogie.vic.gov.au/council/about-council/council-meetings-a-minutes](http://www.strathbogie.vic.gov.au/council/about-council/council-meetings-a-minutes).

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