

7.2 VAGO REPORT ON MUNICIPAL ASSOCIATION OF VICTORIA – EFFECTIVENESS OF SUPPORT FOR LOCAL GOVERNMENT

Submitting Councillors: Crs Davies and Zographos

MOTION

That Council:

Notes the VAGO report 'Effectiveness of Support for Local Government'.

Has met with the MAV's Executive Committee.

Supports the MAV Board, Executive Management, and staff in its efforts to address and meet VAGO's audit recommendations.

INTRODUCTION

The Victorian Auditor General's office (VAGO) has conducted a review and audit into the effectiveness of the support provided to local government by the Municipal Association of Victoria. The Auditor General has made recommendations in relation to:

- the MAV Act of 1907;
- the MAV in relation to its policies and controls of the organisation, management, and staff.
- the MAV and Local Government Victoria (LGV) improving the evaluation and effectiveness of its programs; and
- the MAV and LGV reviewing and documenting how they should work together.

A copy of the full report has been annexed to this motion

BACKGROUND DISCUSSION

On 26 February 2015, VAGO published its audit report into LGV and MAV. The report assessed the effectiveness, efficiency and economy of support activities undertaken to assist councils to carry out their duties and obligations to the community. It focused on the activities of LGV and MAV as they are the key entities providing support to Councils.

The report highlighted that both LGV and MAV needed to strengthen their focus on outcome reporting, management processes, and evaluation. It also highlighted shortcomings to legislative and broader governance arrangements which compromised the effectiveness, efficiency and economy of support to councils. Specifically, it noted the Municipal Association Act 1907 should be reviewed to improve oversight.

The audit report had 15 recommendations for participants in the Local Government area. These recommendations are summarized below

- Department of Environment, Land, Water, and Planning
 - o As a priority, review and determine the MAV's functions, roles, responsibilities, powers and obligations through an analysis of its existing legal framework
- MAV
 - o Review of Conflict of Interest Policies, Monitoring, and Controls. Development of a staff code of conduct
 - o Develop Performance Management frameworks for the board and staff of the MAV
 - o Implement a project management framework
 - o Update Records Management policies
 - o Review its internal audit program so that it covers all aspects of procurement, conflict of interest, and fraud
 - o Review and update procurement policies to align with better practice, particularly around conflicts of interest.
 - o Improve the monitoring, evaluation and reporting of its support activities, including performance measures and publicly reporting performance
 - o Improve the evaluation of training program effectiveness
- LGV
 - o Improve the monitoring and evaluation of support activities
 - o Develop processes to seek feedback from councils
 - o Routinely monitor the performance of MAV compliance with the act
 - o Actively monitor entities granted approval under section 186 of the Local Government Act 1994.
- LGV & MAV
 - o Review and Document how LGV and MAV will work together
 - o Undertake regular joint strategic planning

On 19 May 2015, Monash Council met with the MAV CEO, Chairman, and Deputy CEO to gain a better understanding of the concerns expressed by the VAGO report and its impact on MAV stakeholders, management, and staff. All councillors were in attendance at the meeting.

Monash Council heard that the MAV had a comprehensive plan in place to address the issues raised by the VAGO audit and expressed its understanding that MAV will implement this plan.

CONCLUSION

As a member of the MAV, It is appropriate that council notes the above matters and advises the community of these actions.