



Department of
**Local Government, Sport
and Cultural Industries**

Report of the Inquiry into the Shire of Mingenew

Authorised Inquiry under Part 8 Division 1
of the *Local Government Act 1995 (WA)*



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About DLGSC

The DLGSC works with partners across government and within its diverse sectors to enliven the Western Australian community and economy through support for and provision of sporting, recreational, cultural and artistic policy, programs and activities for locals and visitors to the State.

The department provides regulation and support to local governments and the racing, gaming and liquor industries to maintain quality and compliance with relevant legislation, for the benefit of all Western Australians. This publication is current at November 2023.

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1. Background

The Shire of Mingenew (Shire) is a local government district in the Midwest region of Western Australia, located approximately 110 kilometres southeast of the City of Geraldton and 370 kilometres north of Perth. The Shire covers an area of 1,939 square kilometres and its seat of government is the town of Mingenew.

A Shire President and six council members represent the Shire community, each elected for four-year terms.

Section 8.3 of the *Local Government Act 1995* (Act) gives the Director General (DG) of the Department of Local Government, Sport and Cultural Industries (DLGSC) the authority to inquire into all local governments and their operations and affairs.

In late February 2020, DLGSC was advised of a number of allegations concerning a former employee of the Shire.

The allegations concerned alleged maladministration of local government funds and use of their position to gain a personal benefit for themselves, or another person, while employed at the Shire.

The DLGSC determined that to investigate the allegations, an Inquiry should be authorised under section 8.3(2) of the Act.

The authorisation of an Inquiry enables persons appointed as authorised persons under the Act (Authorised Persons) to utilise the powers in Part 8 Division 1 of the Act; including (among others) the power to direct the Shire to produce any document, information or property.

On 1 April 2020, DLGSC's then DG authorised an inquiry under section 8.3(2) of the Act into the Shire's operations and affairs from 1 January 2015 in relation to:

- a) The tendering process, assessment, approvals and payments.
- b) The adequacy of and adherence to Council's policies and procedures by both elected members and administration staff.
- c) Declarations of interests by elected members.
- d) The financial viability of the Shire.
- e) The culture of the organisation.
- f) Any other matter that comes to the authorised persons' attention during the inquiry under section 8.4(2) of the *Local Government Act 1995*.

Section 8.13 of the Act requires the Authorised Persons to compile a report on the outcome of the Inquiry which contains any recommendations that the Authorised Persons consider appropriate. This report has been compiled for that purpose.

2. Inquiry

Authorised Persons conducted an assessment of the information provided to DLGSC regarding the allegations, including information about the Shire's finances. The Authorised Persons (including one with a qualification in accounting) did not identify any issues of concern with respect to the financial activity of the Shire or any other breach of the Act or associated regulations.

The DLGSC actively monitors local governments and uses several tools to identify local governments which are 'at risk' and/or concern. One of the ways in which DLGSC does so is by assessing a local government's annual financial audits. The DLGSC did not identify the Shire as being an 'at risk' local government nor did it identify any other concerns as to the Shire's current operations or financial status.

The Authorised Persons also analysed all other DLGSC information holdings in relation to the Shire, including correspondence over the past five years, to establish if any other governance concerns or issues separate to those raised with DLGSC in February 2020 were raised.

It is the view of the Authorised Persons that while a specialised forensic audit of the Shire's finances could be undertaken by an external contractor/specialist auditor, in the absence of being put on notice of an areas of concern or any other specific lines of inquiry the Authorised Persons determined not to commission one.

One of the considerations taken into account by the Authorised Persons in making that decision is that the persons who were council members during the period to which the allegations relate are no longer council members. Similarly, the constitution of the administration staff has changed significantly during that period.

The Authorised Persons did not identify credible evidence of any breaches of the Act or associated regulations by any council members or employees during the relevant period.

The DLGSC will continue to monitor the Shire to ensure that it is functioning in the best interest of the community.

3. Recommendations

Given that the Authorised Persons did not identify concerns with the Shire's affairs or operations, the Authorised Persons have no recommendations in relation to the Shire in this report.

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