

**CITY OF MARION
GENERAL COUNCIL MEETING
25 August 2015**

CONFIDENTIAL REPORT

Director: Kathy Jarrett

Subject: Investigation

Reference No: GC250815F05

If the Council so determines, this matter may be considered in confidence under Section 90(3)(g) of the Local Government Act 1999 on the grounds that the report contains information that Council has a duty to keep confidential.



**Geoff Whitbread
Chief Executive Officer**

RECOMMENDATION:

1. That pursuant to Section 90 (2) and (3)(g) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Geoff Whitbread, Kathy Jarrett and Abby Dickson be excluded from the meeting as the Council receives and considers information that it has a duty to keep confidential.

BACKGROUND:

On 25 June 2015, [REDACTED]

[REDACTED] an anonymous report had been made alleging that "Council employees allowed a company named CASA Pty Ltd to fall behind in rental payments and that Council Members were only notified once the debt had exceeded \$80,000, by which time the debt was potentially unrecoverable".

The matter had been assessed as raising potential issues of misconduct and maladministration in public administration, and the views of the Chief Executive Officer were sought. [REDACTED]

DISCUSSION:

Due to the tight timeframes, the CEO has commenced the investigation:

1. Scope of review and associated timeline developed.

The findings of the investigation and recommended actions in response to the findings will be reported to Council at the 8 September 2015 meeting.

2. Proposal to undertake the investigation sought under strict confidentiality undertakings from Kaye Smith, EMA Legal.

Ms Smith has submitted a proposal and has been engaged accordingly.

3. Ms Smith has identified the matters to be dealt with [REDACTED] including, but not limited to:
- 3.1 The time at which Council employees knew or ought to have known, CASA was experiencing declining income streams, and that rental relief was (or would be) sought;
 - 3.2 The basis for the failure (or decision) by Council employees not to advise Elected Members of CASA's financial circumstances until the time that the Elected Members were so notified;
 - 3.3 The times or opportunities that Council employees could have, but did not, notify Elected Members of CASA's financial circumstances or other relevant information, and why;
 - 3.4 Information relevant to response times by Council employee(s) to CASA Pty Ltd;
 - 3.5 Contravention of any code of conduct by Council employee(s) that constitutes a ground for disciplinary action;
 - 3.6 Whether there is any practice, policy or procedure of the organisation that has resulted in substantial mismanagement of public resources;
 - 3.7 System or other procedural failings in the direction, management or operation of the Department(s).
4. The process of investigation will include, but not limited to:
- 4.1 Document discovery and preparation of a chronology of events. This has commenced and will be used by Kaye Smith as a starting point. It will be expanded upon as required during the investigation. The final chronology will be as determined by the investigation, together with relevant documents at the end of the process.
 - 4.2 Interviews with persons / staff who can give information relevant to the issues to be addressed. To be determined following review of initial document discovery, and refined during the course of the investigation.
 - 4.3 In parallel with the investigation, a review of the Land and Property Department is being undertaken. The outcomes of this review are likely to assist with the identification of responses to the various findings.
 - 4.4 Preparation of a final report for Council consideration at the 8 September 2015 meeting.

RECOMMENDATIONS: (3)**DUE DATES**

[REDACTED]
is recommended that:

Council:

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| 1. Note this report. | 11 August 15 |
| 2. Ratify the steps taken, and proposed steps to be taken to deal with the (CASA) matter raising a potential issue of misconduct or maladministration in public administration [REDACTED] | 11 August 15 |
| 3. That Council in accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the report, 'Investigation' (Report Reference GC110815F02), its appendices and the Minutes arising from this report having been considered in confidence be kept confidential under Sections 90(2) and (3)(g) of the Act and not be available for public inspection for a period of 12 months from the date of this meeting or until such time as Council's duty of confidence is no longer in force. This confidentiality order will be reviewed at the General Council Meeting in December 2015. | December 15 |