

Ombudsman report reveals poor actions of WCC officials



WCC City Growth Manager Andrew Paton, former CEO Bruce Anson and recently sacked CEO Peter Schneider, who, between them, capture misplaced trust, poor decision making and being kept in the dark.

Carol Altmann – The Terrier

More on the Ombudsman's report – some key names:

Former WCC tourism chief David McMahon: found by the Ombudsman to have clearly misused his credit card and has recommended the council investigate further and consider police action.

The council accepts this recommendation.

Mr McMahon, the report says, has since expressed remorse, regret and shame and admitted he had openly betrayed his manager, Andrew Paton.

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City Growth Manager, Andrew Paton: the report says Mr Paton

felt deceived by Mr McMahon, whom he trusted.

Given Mr McMahon adjusted some of his receipts and invoices, Mr Paton “could be excused for some of his errors” in approving this spending and failing to pick up other excessive spending “was due to his own inadvertence”.

The report says Mr Paton was considered by former CEOs Bruce Anson and Peter Schneider to be “of the highest level of professionalism and integrity and that he accepted his mistakes”.

Even so, the report says, once Mr McMahon’s spending was first exposed in November 2018 (after the Cape Schanck function), a “more structured approach to addressing the problem should have been instituted ... including revisiting credit card oversight processes”.

Former CEO Bruce Anson: took Mr McMahon’s explanations at face value and considered a first and final warning to be an appropriate response after Mr McMahon repaid some of his spending in November 2018.

At that time, based on Mr McMahon’s explanations, Mr Anson did not believe Mr McMahon’s conduct was criminal or corrupt and did not report it to IBAC.

Given this was Mr Anson’s belief, the Ombudsman accepts Mr Anson was not legally required to report the matter to IBAC.

He should, however, have reported it to the council’s Internal Auditor for further investigation, the report says.

Mr Anson “acknowledged in retrospect there should have been an independent audit of David McMahon’s credit card transactions in accordance with Council policy.”

Former CEO Peter Schneider: was not aware of Mr McMahon’s

credit card misuse – or the first and final warning in Nov 2018 – until inquiries by the media (The Terrier) in mid last year.

Mr Schneider met with Mr McMahon in early July last year and asked if there was anything else he should be aware of.

Mr McMahon said no.

After stories began to appear in The Terrier, Mr Schneider began his own inquiries on 8 July. Mr McMahon resigned on 16 July 2019, having repaid a further \$3071.

Mr Schneider referred the matter to IBAC on 15 July, under mandatory notification. The council later hired an external auditor to assess the council's credit card policies and make changes.

A memorable line from Mr Schneider in the report: "When asked by the investigation what a reasonable meal purchase under Council's policies would be, Peter Schneider noted that a meal might be a ham and cheese sandwich, not 'a T-bone steak washed down with a bottle of Grange'".

Amen to that.

The auditor's 10 recommendations to follow.