



**CITY OF
PERTH**

The Hon. Hannah Beazley MLA
Minister for Local Government
Dumas House, 2 Havelock Street
WEST PERTH WA 6005

By email: Minister.Beazley@dpc.wa.gov.au

27 August 2025

Dear Minister Beazley

**PERFORMANCE AUDIT REPORT 17 – OFFICE OF THE AUDITOR GENERAL LOCAL GOVERNMENT
MANAGEMENT OF PURCHASING CARDS – LARGER METROPOLITAN ENTITIES**

I refer to the above performance audit conducted by the Office of the Auditor General (OAG) and tabled in Parliament on 28 May 2025.

This report addresses the ‘significant matter’ identified in the emerging findings letter from the Office of the Auditor General. The report addresses the City of Perth’s responses and actions in accordance with section 7.12A(4)(a) of the *Local Government Act 1995* which requires a local government to prepare a report addressing any significant findings and the corresponding actions taken or proposed to be taken.

Significant Matter identified by the OAG

1. Inadequate policies and guidance on allowable and reasonable business use

The OAG has recommended that the City should develop and implement detailed policy guidance on what is allowable and reasonable business use expenditure on items such as travel, alcohol, meals and entertainment.

The implication of the finding was that without detailed guidance, there is an increased likelihood of inappropriate use (including personal use) or excessive spending on items that do not meet community expectations.

Response

The City of Perth is committed to continuous improvement and feedback, and has welcomed the opportunity to participate in the OAG's purchasing cards performance audit.

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Contextually, purchasing cards account for less than 0.1% of the City's total expenditure.

The City has established a high calibre Audit, Risk and Improvement Committee, with independent membership.

The City considers all opportunities for improvement as a means of further strengthening its processes and systems and importantly ensuring value for its rate payers.

The City has established a range of policies and guidance (8 in total) for staff and elected members on what is allowable and reasonable business use expenditure for items such as travel, alcohol, meals, entertainment and gifts.

These include –

- a. Operational Policy 21 – Corporate Travel Policy and Council

This establishes appropriate guidance and internal controls for staff regarding Corporate Travel. It includes an express statement regarding the non-reimbursement of alcohol.

- b. Corporate Credit Card – Allowable Expenditure Guidelines

Provides guidance to card holders on allowable expenditure. Includes a prescriptive list as to allowable and prohibited business expenditure, including that official travel, accommodation and related expenses may occur in accordance with City of Perth policies and procedures. Guidance also outlines controls related to expenditure such as entertainment, hospitality and gifts for staff.

- c. Operational Policy 34 – Contributions and Celebrations – City Employees

Provides policy guidance for staff in relation to all requests for City funding or use of City resources for staff focused events or celebrations, that are outside of formal recognition programs.

- d. Council Member Allowances, Fees and Entitlement Policy

Sets the nature and extent of the allowances, fees and entitlements that Council Members are entitled to receive (including in relation to travel), and the responsibilities of Council Members and the Administration to ensure these allowances, fees and entitlements are awarded fairly, consistently, and transparently. The extent to which travel expenses may be reimbursed is in accordance with the rate determined by the SAT.

- e. Council Policy 2.2 Purchasing – Provide policy guidance in the procurement of goods and services in accordance with regulation 11A of the *Local Government (Functions and General) Regulations 1996* to ensure open, fair and transparent procurement processes are implemented and maintained.

- f. Council Policy 4.5 – National and International Engagement

Makes provision for the City of Perth to undertake national and international engagement that is purposeful and consistent with the City of Perth Act 2016, the City's Strategic Community Plan, and Economic Development Strategy.

- g. Code of Conduct for Council Members, Committee Members and Candidates

Establishes the standards and principles that outline expected behaviour and relevant legal responsibilities for each appointed and prospective Council Member, Committee Member and Candidate.

h. Employee Code of Conduct

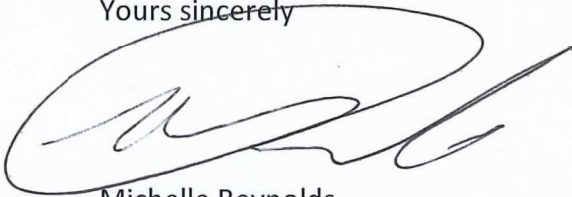
Provides guidance to assist in decisions, actions and behaviours. It includes practical examples that clearly explain how to respond to situations.

The Administration in accordance with the OAG finding, is conducting a review of its informing documentation to identify where tighter control of expenditure by purchasing cards and greater guidance might be provided to officers on 'reasonable and appropriate expenditure'.

The Performance Audit findings have been included in the City's Audit Register to ensure Audit, Risk and Improvement Committee oversight.

In accordance with section 7.12A(5) of the *Local Government Act 1995*, a copy of this report will be published on the City's website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michelle Reynolds', enclosed within a large, loopy oval shape.

Michelle Reynolds
CHIEF EXECUTIVE OFFICER