



Gabrielle Upton
Minister for Local Government

MEDIA RELEASE

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COUNCIL CREDIT CARD USE CRACKDOWN

The NSW Government has announced sweeping new measures to ensure local councils are properly managing credit card expenditure.

Minister for Local Government Gabrielle Upton said she had serious concerns following allegations a former general manager of Hay Shire Council spent more than \$500,000 on a corporate credit card.

“These allegations are very concerning and I am taking action to get to the bottom of the matter to ensure it doesn’t happen in another council,” Ms Upton said.

“Councils must ensure they account for each and every ratepayer dollar.”

Ms Upton said the range of measures includes:

- Requesting the Office of Local Government to launch a formal investigation into Hay Shire Council’s credit card expenditure and accounting practices
- Requiring every council in NSW to have an audit, risk and improvement committee
- Asking the NSW Auditor-General to undertake a Statewide performance audit of credit card usage at local councils
- Updating the standard employment contract and guidelines for the appointment of general managers by Councillors to strengthen rules on their credit card usage
- The Office of Local Government calling on all NSW councils to review their fraud prevention controls.

“This package of measures will help ensure council credit cards are not abused and they have the right mechanisms in place to account for all expenditure and identify any irregularities,” Ms Upton said.

“It’s simply not good enough that Hay Shire Council failed to ensure all credit card transactions were backed up by the appropriate documentation including receipts, especially when the spending exceeded half a million dollars of ratepayers’ money.

“The community rightfully expects their local council to be responsible when it comes to spending their hard-earned ratepayer dollars.

“All councils in NSW must ensure that they have proper financial management systems in place to regulate credit card expenditure by their staff.”

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